

18-036

[CONFIDENTIAL]

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**RECEIVED**

This Section must be completed for all projects.

OCT 01 2018

Facility/Project Identification**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Facility Name: Hinsdale Surgical Center		
Street Address: 10 Salt Creek Lane		
City and Zip Code: Hinsdale, IL 60521		
County: DuPage	Health Service Area: HSA-7	Health Planning Area: N/A

Applicant /Co-Applicant Identification**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name: Hinsdale Surgical Center, LLC
Address: 10 Salt Creek Lane, Hinsdale, IL 60521
Name of Registered Agent: CT Corporation System
Name of Chief Executive Officer: Steven Province
CEO Address: 120 N. Oak St., Hinsdale, IL 60521
Telephone Number: 630-856-9000

Type of Ownership of Applicant/Co-Applicant

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
Other <input type="checkbox"/>	
<ul style="list-style-type: none"> Corporations and limited liability companies must provide an Illinois certificate of good standing. Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. 	
APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Primary Contact**[Person to receive ALL correspondence or inquiries]**

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli P.C.
Address: 150 N. Riverside Plaza, Ste. 3000 Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com

Additional Contact**[Person who is also authorized to discuss the application for permit]**

Name: Cathy Weaver
Title: Regional Vice President
Company Name: United Surgical Partners International
Address: 15305 Dallas Parkway, Addison, TX 75001
Telephone Number: 317-679-7352
E-mail Address: caweaver@uspi.com

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

Name: Kara Friedman
Title: Attorney
Company Name: Polsinelli P.C.
Address: 150 N. Riverside Plaza, Ste. 3000 Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Salt Creek Campus, LLC
Address of Site Owner: 40 Skokie Boulevard, Ste 140, Northbrook, IL 60062
Street Address or Legal Description of Site: 10 Salt Creek Lake Hinsdale, IL 60521
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS <u>ATTACHMENT-2</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Hinsdale Surgical Center, LLC	
Address: 10 Salt Creek Lane, Hinsdale, IL 60521	
<input type="checkbox"/> Non-profit Corporation <input type="checkbox"/> For-profit Corporation <input checked="" type="checkbox"/> Limited Liability Company Other	<input type="checkbox"/> Partnership <input type="checkbox"/> Governmental <input type="checkbox"/> Sole Proprietorship
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 	
APPEND DOCUMENTATION AS <u>ATTACHMENT-3</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS **ATTACHMENT -5**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT-6**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- ☐ Substantive
- ☒ Non-substantive

2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Hinsdale Surgical Center, LLC (the "Applicant") proposes to add gastroenterology, neurosurgery and vascular surgery services to its current multi-specialty ambulatory surgical treatment center ("ASTC") located at 10 Salt Creek Lane, Hinsdale, Illinois.

The existing ASTC includes four operating rooms (ORs), two procedure rooms, eight Stage 1 recovery stations and twelve Stage 2 recovery stations. There will not be any construction or other alterations associated with the project. Furthermore, there are no project costs associated with the project.

This project does not propose to establish a new category of service or a new health care facility as defined by the Planning Act. The Project is non-substantive.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$0	\$0	\$0
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0
Architectural/Engineering Fees	\$0	\$0	\$0
Consulting and Other Fees	\$0	\$0	\$0
Movable or Other Equipment (not in construction contracts)	\$0	\$0	\$0
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$0	\$0	\$0
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$0	\$0	\$0
Pledges	\$0	\$0	\$0
Gifts and Bequests	\$0	\$0	\$0
Bond Issues (project related)	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Leases (fair market value)	\$0	\$0	\$0
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS	\$0	\$0	\$0
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up costs and operating deficit cost is \$ _____.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings: <div style="display: flex; justify-content: space-around;"> <input checked="" type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary </div> <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Schematics <input type="checkbox"/> Final Working </div>
Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2018*</u> <small>*Completion date is contingent upon the project being approved at the October or December 2018 HFSRB meeting. If the project cannot be considered in 2018, the completion date will need to be revised.</small>
Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140): <div style="margin-left: 20px;"> <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies <input checked="" type="checkbox"/> Project obligation will occur after permit issuance. </div>
APPEND DOCUMENTATION AS <u>ATTACHMENT-8</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable: <div style="margin-left: 20px;"> <input type="checkbox"/> Cancer Registry (NOT APPLICABLE) <input type="checkbox"/> APORS (NOT APPLICABLE) <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input type="checkbox"/> All reports regarding outstanding permits (NOT APPLICABLE) </div> Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.
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Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. Explain the use of any vacated space.

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							
APPEND DOCUMENTATION AS <u>ATTACHMENT-9</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Facility Bed Capacity and Utilization (not applicable)

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which the data are available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME:		CITY:			
REPORTING PERIOD DATES:					
		From:	to:		
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care					
Specialized Long Term Care					
Long Term Acute Care					
Other (identify)					
TOTALS:					

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

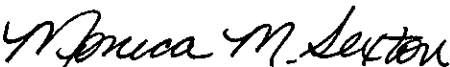
This Application for Permit is filed on the behalf of Hinsdale Surgical Center, LLC *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.



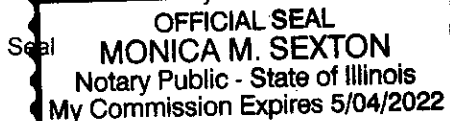
SIGNATURE

Rebecca Mathis
PRINTED NAMEMember
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 19th day of September

Signature of Notary



*Insert EXACT legal name of the applicant

SIGNATURE

Cathy Weaver
PRINTED NAMEMember
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this ____ day of ____

Signature of Notary

Seal

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Hinsdale Surgical Center, LLC *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Rebecca Mathis
PRINTED NAMEMember
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this ____ day of _____

Signature of Notary

Seal

*Insert EXACT legal name of the applicant

SIGNATURE

Cathy Weaver
PRINTED NAMEMember
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 21st day of September 2018

Signature of Notary

Seal

KAYLEE MYSCHEL NILES
NOTARY PUBLIC
SEAL
STATE OF INDIANA
Commission Number 0685978
My Commission Expires 05/26/2024

SECTION II. DISCONTINUATION (not applicable)

This Section is applicable to any project that involves discontinuation of a health care facility or a category of service. **NOTE:** If the project is solely for discontinuation and if there is no project cost, the remaining Sections of the application are not applicable.

Criterion 1110.130 - Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that is to be discontinued.
2. Identify all of the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued, and the length of time the records will be maintained.
6. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 60 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.130(b) for examples.

IMPACT ON ACCESS

1. Document that the discontinuation of each service or of the entire facility will not have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within 45 minutes travel time of the applicant facility.
3. Provide copies of impact statements received from other resources or health care facilities located within 45 minutes travel time, that indicate the extent to which the applicant's workload will be absorbed without conditions, limitations or discrimination.

APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate.**

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify ALL of the alternatives to the proposed project:

Alternative options must include:

- A) Proposing a project of greater or lesser scope and cost;
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- D) Provide the reasons why the chosen alternative was selected.

- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV - PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix B;
 - c. The project involves the conversion of existing space that results in excess square footage.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage of the proposed shell space;
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function;
3. Evidence that the shell space is being constructed due to
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data are available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT-17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V. - MASTER DESIGN AND RELATED PROJECTS (not applicable)

This Section is applicable only to proposed master design and related projects.

Criterion 1110.235(a) - System Impact of Master Design

Read the criterion and provide documentation that addresses the following:

1. The availability of alternative health care facilities within the planning area and the impact that the proposed project and subsequent related projects will have on the utilization of such facilities;
2. How the services proposed in future projects will improve access to planning area residents;
3. What the potential impact upon planning area residents would be if the proposed services were not replaced or developed; and
4. The anticipated role of the facility in the delivery system including anticipated patterns of patient referral, any contractual or referral agreements between the applicant and other providers that will result in the transfer of patients to the applicant's facility.

Criterion 1110.235(b) - Master Plan or Related Future Projects

Read the criterion and provide documentation regarding the need for all beds and services to be developed, and also, document the improvement in access for each service proposed. Provide the following:

1. The anticipated completion date(s) for the future construction or modernization projects; and
2. Evidence that the proposed number of beds and services is consistent with the need assessment provisions of Part 1100; or documentation that the need for the proposed number of beds and services is justified due to such factors, but not limited to:
 - a. limitation on government funded or charity patients that are expected to continue;
 - b. restrictive admission policies of existing planning area health care facilities that are expected to continue;
 - c. the planning area population is projected to exhibit indicators of medical care problems such as average family income below poverty levels or projected high infant mortality.
3. Evidence that the proposed beds and services will meet or exceed the utilization targets established in Part 1100 within two years after completion of the future construction of modernization project(s), based upon:
 - a. historical service/beds utilization levels;
 - b. projected trends in utilization (include the rationale and projection assumptions used in such projections);
 - c. projections;
 - d. anticipated market factors such as referral patterns or changes in population characteristics (age, density, wellness) that would support utilization projections; and anticipated changes in delivery of the service due to changes in technology, care delivery techniques or physician availability that would support the projected utilization levels.

Criterion 1110.235(c) - Relationship to Previously Approved Master Design Projects

READ THE CRITERION which requires that projects submitted pursuant to a master design permit are consistent with the approved master design project. Provide the following documentation:

1. Schematic architectural plans for all construction or modification approved in the master design permit;
2. The estimated project cost for the proposed projects and also for the total construction/modification projects approved in the master design permit;
3. An item by item comparison of the construction elements (i.e. site, number of buildings, number of floors, etc.) in the proposed project to the approved master design project; and
4. A comparison of proposed beds and services to those approved under the master design permit.

APPEND DOCUMENTATION AS ATTACHMENT-18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI - MERGERS, CONSOLIDATIONS AND ACQUISITIONS/CHANGES OF OWNERSHIP (not applicable)

This Section is applicable to projects involving merger, consolidation or acquisition/change of ownership.

NOTE: For all projects involving a change of ownership **THE COMPLETE TRANSACTION DOCUMENT** must be submitted with the application for permit. The transaction document must be signed dated and contain the appropriate contingency language.

A. Criterion 1110.240(b), Impact Statement

Read the criterion and provide an impact statement that contains the following information:

1. Any change in the number of beds or services currently offered.
2. Who the operating entity will be.
3. The reason for the transaction.
4. Any anticipated additions or reductions in employees now and for the two years following completion of the transaction.
5. A cost-benefit analysis for the proposed transaction.

B. Criterion 1110.240(c), Access

Read the criterion and provide the following:

1. The current admission policies for the facilities involved in the proposed transaction.
2. The proposed admission policies for the facilities.
3. A letter from the CEO certifying that the admission policies of the facilities involved will not become more restrictive.

C. Criterion 1110.240(d), Health Care System

Read the criterion and address the following:

1. Explain what the impact of the proposed transaction will be on the other area providers.
2. List all of the facilities within the applicant's health care system and provide the following for each facility.
 - a. the location (town and street address);
 - b. the number of beds;
 - c. a list of services; and
 - d. the utilization figures for each of those services for the last 12 month period.
3. Provide copies of all present and proposed referral agreements for the facilities involved in this transaction.
4. Provide time and distance information for the proposed referrals within the system.
5. Explain the organization policy regarding the use of the care system providers over area providers.
6. Explain how duplication of services within the care system will be resolved.
7. Indicate what services the proposed project will make available to the community that are not now available.

APPEND DOCUMENTATION AS ATTACHMENT-19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VII - SERVICE SPECIFIC REVIEW CRITERIA (A-G & I-P are not applicable)**H. Non-Hospital Based Ambulatory Surgery**

This section is applicable to all projects proposing to establish or modernize a non-hospital based ambulatory surgical treatment center or to the addition of surgical specialties.

1. Criterion 1110.1540(a), Scope of Services Provided

Read the criterion and complete the following:

- a. Indicate which of the following types of surgery are being proposed:

<input type="checkbox"/> Cardiovascular	<input checked="" type="checkbox"/> Obstetrics/Gynecology	<input checked="" type="checkbox"/> Pain Management
<input type="checkbox"/> Dermatology	<input checked="" type="checkbox"/> Ophthalmology	<input checked="" type="checkbox"/> Podiatry
<input checked="" type="checkbox"/> Gastroenterology	<input checked="" type="checkbox"/> Oral/Maxillofacial	<input type="checkbox"/> Thoracic
<input checked="" type="checkbox"/> General/Other	<input checked="" type="checkbox"/> Orthopedic	<input checked="" type="checkbox"/> Otolaryngology
<input checked="" type="checkbox"/> Neurology	<input checked="" type="checkbox"/> Plastic	<input checked="" type="checkbox"/> Urology
<input checked="" type="checkbox"/> Vascular Surgery		

- b. Indicate if the project will result in a ☐ limited or ☒ a multi-specialty ASTC.

2. Criterion 1110.1540(b), Target Population

Read the criterion and provide the following:

- On a map (8 1/2" x 11"), outline the intended geographic services area (GSA).
- Indicate the population within the GSA and how this number was obtained.
- Provide the travel time in all directions from the proposed location to the GSA borders and indicate how this travel time was determined.

3. Criterion 1110.1540(c), Projected Patient Volume

Read the criterion and provide signed letters from physicians that contain the following:

- The number of referrals anticipated annually for each specialty.
- For the past 12 months, the name and address of health care facilities to which patients were referred, including the number of patients referred for each surgical specialty by facility.
- A statement that the projected patient volume will come from within the proposed GSA.
- A statement that the information in the referral letter is true and correct to the best of his or her belief.

4. Criterion 1110.1540(d), Treatment Room Need Assessment

Read the criterion and provide:

- The number of procedure rooms proposed.
- The estimated time per procedure including clean-up and set-up time and the methodology used in arriving at this figure.

5. Criterion 1110.1540(e), Impact on Other Facilities

Read the criterion and provide:

- a. A copy of the letter sent to area surgical facilities regarding the proposed project's impact on their workload. **NOTE:** This letter must contain: a description of the project including its size, cost, and projected workload; the location of the proposed project; and a request that the facility administrator indicate what the impact of the proposed project will be on the existing facility.
- b. A list of the facilities contacted. **NOTE:** Facilities must be contacted by a service that provides documentation of receipt such as the US. Postal Service, FedEx or UPS. The documentation must be included in the application for permit.

6. Criterion 1110.1540(f), Establishment of New Facilities

Read the criterion and provide:

- a. A list of services that the proposed facility will provide that are not currently available in the GSA; or
- b. Documentation that the existing facilities in the GSA have restrictive admission policies; or
- c. For co-operative ventures,
 - a. Patient origin data that documents the existing hospital is providing outpatient surgery services to the target population of the GSA, and
 - b. The hospital's surgical utilization data for the latest 12 months, and
 - c. Certification that the existing hospital will not increase its operating room capacity until such a time as the proposed project's operating rooms are operating at or above the target utilization rate for a period of twelve full months; and
 - d. Certification that the proposed charges for comparable procedures at the ASTC will be lower than those of the existing hospital.

7. Criterion 1110.1540(g), Charge Commitment

Read the criterion and provide:

- a. A complete list of the procedures to be performed at the proposed facility with the proposed charge shown for each procedure.
- b. A letter from the owner and operator of the proposed facility committing to maintain the above charges for the first two years of operation.

8. Criterion 1110.1540(h), Change in Scope of Service

Read the criterion and, if applicable, document that existing programs do not currently provide the service proposed or are not accessible to the general population of the geographic area in which the facility is located.

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

_____	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
TOTAL FUNDS AVAILABLE		

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Foot Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT -39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for **ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS**:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			

Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

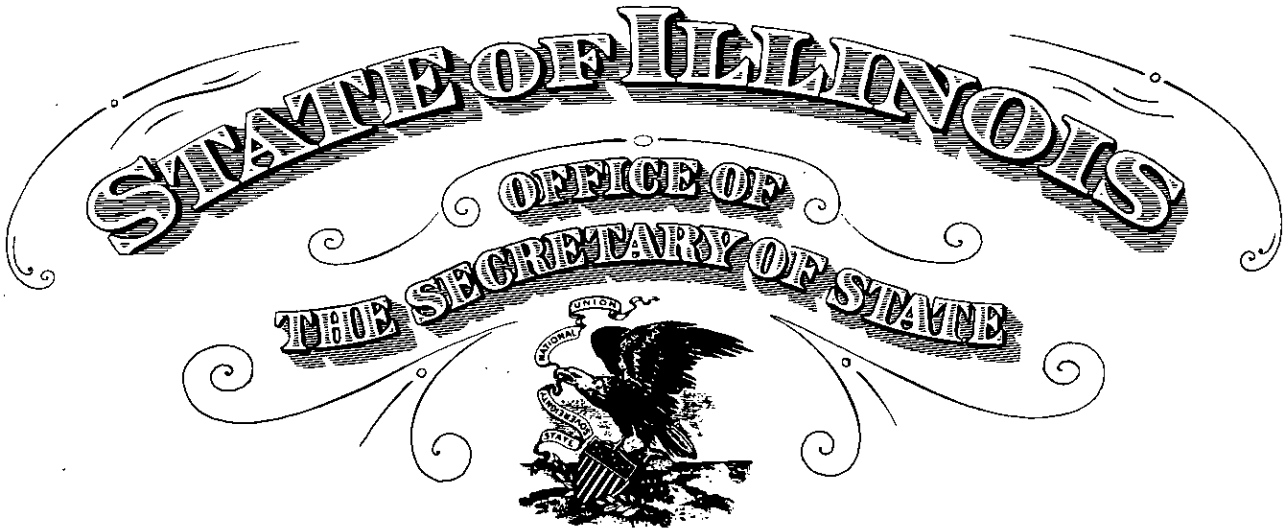
A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-41, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

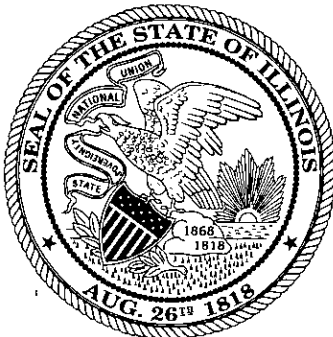
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To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

HINSDALE SURGICAL CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 13, 1998, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 8TH day of SEPTEMBER A.D. 2018 .

Jesse White

SECRETARY OF STATE

Proof of Site Ownership

The applicants propose to add additional surgical specialties at an existing multi-specialty ASTC located at 10 Salt Creek Lake, Hindale, Illinois. A property lease is included as part of this Attachment-2.

OFFICE LEASE

between

**SALT CREEK CAMPUS LLC,
A DELAWARE LIMITED LIABILITY COMPANY**

(as "LANDLORD")

and

**HINSDALE SURGICAL CENTER, LLC
AN ILLINOIS LIMITED LIABILITY COMPANY**

(as "TENANT")

dated

November 14, 2014

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OFFICE LEASE

THIS LEASE is made this 14th day of November, 2014 (the "Effective Date") by and between **SALT CREEK CAMPUS LLC**, a Delaware limited liability company ("Landlord"), and **HINSDALE SURGICAL CENTER, LLC**, an Illinois limited liability company ("Tenant"), who agree as follows:

1. **FUNDAMENTAL TERMS.** As used in this Lease, the following capitalized terms shall have the following meanings:

"Base Rent" for the initial Lease Year means Thirty-Three and 00/100 Dollars (\$33.00) per Rentable Square Feet of Space. The Base Rent, among other terms, will be confirmed in the Commencement Date Agreement in the form attached hereto as Exhibit E. In addition, the Base Rent shall increase each Lease Year as set forth in Section 5(c) below. The Base Rent for any partial month shall be prorated as set forth in Section 5(a) below.

"Base Year" means 2016.

"Building" means the four (4) story building comprised of approximately 60,997 Rentable Square Feet of Space in which the Premises are located at the street address currently commonly known as 12 Salt Creek Lane, Hinsdale, Illinois.

"Commencement Date" means the date which is the earlier to occur of (i) the date on which the Premises is delivered to Tenant in a condition suitable for Tenant's use and occupancy of the Premises for the Permitted Use, or (ii) October 31, 2015.

"Definitions" means the words and phrases defined in Section 34 captioned "Definitions."

"Delivery Date" means the date on which Landlord completes Landlord's Work and turns over the Premises to Tenant in a condition suitable for Tenant to use and occupy the Premises for the Permitted Uses, which date shall be no later than August 1, 2015 (subject to delays caused by the Tenant, Force Majeure or the day-for-day delay calculated from October 27, 2014 to the Milestone Dates), *provided, however*, in no event shall the Delivery Date or the Commencement Date be delayed due to failure of Tenant to obtain any Special Permit.

"Exhibits" mean the following Exhibits to this Lease:

- Exhibit A – Legal Description, Building Elevations and Site Plan of the Property
- Exhibit B – Detail Drawing of the Premises
- Exhibit C – Landlord's Work Letter Agreement
- Exhibit C-1 - Form of Construction Escrow Agreement
- Exhibit D – Rules and Regulations
- Exhibit E – Commencement Date Agreement
- Exhibit F – Holdover Rent Calculation; Termination Penalty

"Expiration Date" means the day which is the last calendar day of the month in which the day before the fifteenth anniversary of the Commencement Date occurs, subject to the provisions provided in Section 4(d) below.

"Landlord's Address for Notice" means 40 Skokie Blvd., Suite 410, Northbrook, Illinois 60062; Attention: Paul Kopecki.

"Landlord's Address for Payment of Rent" means 40 Skokie Blvd., Suite 410, Northbrook, Illinois 60062; Attention: Accounting Manager.

"Lease Year" means a period of twelve (12) consecutive calendar months. The first Lease Year shall begin on the Commencement Date and continue through the last day of the month following the month in which the anniversary of the Commencement Date occurs. Each succeeding Lease Year shall commence upon the day following the last day of the preceding Lease Year.

"Milestone Dates" means, for each of the tasks identified as Tenant Milestone Dates in Exhibit C, the later of the date that the Tenant's architect (i) delivers revised drawings for the Premises complete to a level of 80% Design Development incorporating any Tenant directed changes, or (ii) completes drawings for the initial Illinois Department of Public Health ("IDPH") submission. Upon the completion of the Milestone Dates, Landlord and Tenant shall execute a notice confirming such dates.

"Permitted Use" mean use for purposes of an ambulatory surgical center, general business offices, administrative offices, medical offices, any uses ancillary thereto and all other lawful uses permitted by Landlord, except, however, that notwithstanding the foregoing, (i) the permitted use of the portion of the Premises shall not include general retail uses (except as related to the delivery of ambulatory care services), and (ii) the permitted use of the Premises shall not include the operation of an abortion clinic, a methamphetamine rehabilitation clinic or a marijuana dispensary or clinic. Landlord makes no representations or warranties as to whether any Permitted Use is permitted by the Village of Hinsdale. It shall be Tenant's sole responsibility to confirm any such use with the Village or any other governmental authority. Landlord confirms that none of the specific prohibited uses set forth above shall be permitted in any part of the Building and Landlord will use its best efforts to lease other available space in the Building to tenants engaged in medically related enterprises.

"Premises" means approximately 16,588 Rentable Square Feet of Space on the second floor of the Building as depicted on Exhibit B, which is subject to final plans for Landlord's Work (as hereinafter defined) developed in accordance with Exhibit C attached hereto and subject to final re-measurement pursuant to Building Owners and Managers Association ("BOMA") ANSI/BOMA Z65.1-2010 Method A Standard. Once finally determined, the Rentable Square Feet of Space in the Premises and in the Building will be confirmed in the Commencement Date Agreement in the form attached hereto as Exhibit E.

"Property" means the land on which the Building is located, situated in the Village of Hinsdale, County of DuPage, State of Illinois, which is described on Exhibit A.

"Tenant's Proportionate Share" means the final Rentable Square Feet of Space in the Premises divided by the Rentable Square Feet of Space in the Building.

"Term" means the period of time commencing on the Commencement Date and ending on the Expiration Date, unless extended or sooner terminated pursuant to this Lease.

"Tenant's Address for Notice" means:

Hinsdale Surgical Center, LLC
15301 Dallas Parkway, Suite 1600
Addison, Texas 75001
Attn: General Counsel

with a copy to: Hinsdale Surgical Center, LLC
12 Salt Creek Lane, Suite 200
Hinsdale, Illinois 60521
Attn: _____

and a copy to: Condon Thornton Sladek Harrell PLLC
8080 Park Lane, Suite 700
Dallas, Texas 75231
Attn: William L. Sladek

2. **PREMISES.** Landlord leases to Tenant and Tenant leases from Landlord the Premises for the Term.

(a) Included in the Premises is Tenant's right to the use of the parking spaces (on a non-exclusive basis) located on the North Lot and the South Lot (each as provided and limited below), for the parking of operational motor vehicles used by Tenant, its employees, staff, physicians, patients, guests and invitees.

Tenant agrees that it shall instruct its employees to use the parking spaces located on the parking lot (the "North Lot") located on the North side of the Building (adjacent to the Property), twelve (12) of which spaces shall be marked as parking for physicians associated with Tenant, and which spaces shall be in the location shown on the Site Plan (herein so called) attached hereto as Exhibit A. Ten (10) parking spaces located on parking lot (the "South Lot") on the South side of the Building adjacent to the entrance of the Premises shall be designated for patients only. No other spaces shall be reserved for Tenant. Landlord will not provide any type of valet service. At Tenant's discretion, Tenant may provide parking valet services at its sole cost with prior approval of Landlord, which approval shall not unreasonably be denied, conditioned or delayed. Landlord hereby confirms that both the North and South lots will be completed and made available for Tenant's use on or before the Delivery Date. Landlord further confirms that Landlord shall at all times provide parking on the North Lot and South Lot sufficient to comply with applicable codes and ordinances, and the North Lot shall at all times contain not less than 150 parking spaces and the South Lot shall contain not less than Ten (10) parking spaces that are available for Tenant's use.

3. **APPURTENANCES** □ Tenant, and its authorized representatives, shall have the right to use, in common with other tenants and occupants of the Building, and their respective employees, staff, physicians, patients, guests and invitees, and subject to the Rules and Regulations (as more fully provided in Section 9(h) below), the Common Areas of the Building. Landlord shall have the right, in Landlord's sole discretion, from time to time to (i) make changes to the Building interior and exterior (other than the Premises) and Common Areas, including, without limitation, changes in the location, size, shape, number and appearance thereof, (ii) to close temporarily any of the Common Areas for maintenance purposes and (iii) to use the Common Areas while engaged in making additional improvements, repairs or alterations to the Building, provided that in all cases Landlord shall ensure that such actions do not materially adversely impact Tenant's access to, or use and occupancy of, the Premises and the Common Areas, including the parking lots. All of the windows and exterior walls of the Premises and any space in the Premises used for shafts, stacks, pipes, conduits, ducts, electrical equipment or other utilities or Building facilities are reserved solely to Landlord and, subject to the terms of Section 27 below, Landlord shall have rights of access through the Premises for the purpose of operating, maintaining and repairing the same, provided, however, that such changes shall not materially affect Tenant's access to, or use and occupancy of, the Premises. Tenant shall have the right to install a generator, at Tenant's sole cost and expense, at the location shown on the Site Plan, or another location, as approved by Landlord. Landlord shall construct the pad for the generator, all of Tenant's heating, ventilating and cooling systems and all of Tenant's mechanical screening, landscaping, and other items required by the Village of Hinsdale to properly screen Tenant's mechanical equipment as part of Landlord's Work (as defined in Exhibit C attached hereto). Tenant shall maintain the generator in good condition and repair and shall remove the generator upon the expiration or earlier termination of this Lease.

4. **TERM.**

(a) **EFFECTIVE DATE.** This Lease shall become legally binding as of the date Landlord and Tenant execute this Lease as set forth on the first page hereof and shall remain in full force and effect thereafter until the expiration of the Term, unless sooner terminated pursuant to this Lease. The Term shall commence on the Commencement Date and expire on the Expiration Date, unless sooner terminated pursuant to this Lease. The Commencement Date shall be the date specified in Section 1.

Notwithstanding anything to the contrary in this Section, Tenant shall have the right to enter onto the Premises at any time after full execution of this Lease by Landlord and Tenant, but no earlier than the Delivery Date, except as provided on Exhibit C attached hereto, solely for the purpose of constructing or causing the construction of such improvements to the interior of the Premises as Tenant requires to prepare the Premises for the conduct of its business. Landlord's sole construction obligations under this Lease are set forth in the Work Letter Agreement attached hereto as Exhibit C, as the same may be supplemented by the express terms of this Lease. No Rent shall be due for such early access to the Premises.

If Tenant shall occupy the Premises or any portion thereof for the Permitted Use prior to the Commencement Date specified in Section 1, then Tenant shall pay Base Rent for such occupancy from and after the date of such early occupancy. Landlord acknowledges that Tenant

intends to occupy the Premises for the operation of its business as soon as possible, and Tenant may so occupy any portion of the Premises prior to the Commencement Date in accordance with the terms of this Section.

(b) NON-DELIVERY. Except as provided below, in the event that the Delivery Date does not occur on or before the Outside Delivery Date (as hereinafter defined) as a result of causes beyond Landlord's reasonable control, Landlord shall not be liable for any damage caused by failing to deliver possession and this Lease shall not be void or voidable.

Landlord and Tenant anticipate that the Tenant Improvements will be substantially complete and Tenant shall receive any necessary Special Permits on or before August 1, 2015, at which time Tenant shall relocate from the premises located at 908 N. Elm, Hinsdale, Illinois (the "908 N. Elm Premises") to the Premises. Accordingly, Landlord and Tenant acknowledge that if the Delivery Date does not occur on or before October 31, 2015, Tenant may not be able to relocate to the Premises from the 908 N. Elm Premises by the scheduled expiration date of the 908 N. Elm Lease (as defined below) (i.e., by October 31, 2015). In such event, Landlord shall reimburse Tenant, upon demand, for all Holdover Rent (as defined below) paid by Tenant; *provided, however*, Landlord shall not be liable for the payment of any Holdover Rent to the extent of any delay in the Delivery Date that is directly attributable to Tenant, Force Majeure or the day-for-day delay calculated from October 27, 2014 to the Milestone Dates; and *provided, further, however*, Landlord shall not be liable for the payment of any Holdover Rent if the Delivery Date occurs prior to October 31, 2015, as such date may be extended due to delays directly attributable to Tenant, Force Majeure or the day-for-day delay calculated from October 27, 2014 to the Milestone Dates).

If the Delivery Date does not occur on or before the January 1, 2016 (the "Outside Delivery Date") for any reason (except for delays directly attributable to Tenant, Force Majeure or the day-for-day delay calculated from October 27, 2014 to the Milestone Dates), Landlord shall reimburse Tenant for any Holdover Rent (as hereinafter defined) actually paid by Tenant under the lease relating to the 908 N. Elm Premises (the "908 N. Lease") for the applicable Landlord Holdover Period (as hereinafter defined). Further, if the Delivery Date does not occur on or before the Outside Delivery Date for any reason (except for delays directly attributable to Tenant, Force Majeure or the day-for-day delay calculated from October 27, 2014 to the Milestone Dates), and so long as Tenant is not then otherwise in default of any term or provision of this Lease, Tenant shall have the right to terminate this Lease by written notice to Landlord delivered at any time after the occurrence of the Outside Delivery Date.

"Holdover Rent" shall mean the rent actually paid under the 908 N. Elm Lease during the Landlord Holdover Period in accordance with the calculation set forth in Exhibit F attached hereto. In no event, however, shall the Holdover Rent include any rent or other amounts due under the 908 N. Elm Lease as a result of any exercise of any option by Tenant or landlord of the 908 N. Elm Premises to extend the 908 N. Elm Lease. Further, in no event shall the Holdover Rent include any rent or other amounts due under the 908 N. Elm Lease as a result of any delay in the Delivery Date directly attributable to Tenant, Force Majeure or the day-for-day delay calculated from October 27, 2014 to the Milestone Dates. Subject to the condition stated in the sentence above, "Landlord Holdover Period" shall mean the period of time commencing on November 2, 2015 and continuing through the actual date of delivery of the Premises to the

Tenant. Except as expressly provided in this Lease, Landlord shall have no obligation for the payment of any additional funds due pursuant to the 908 N. Elm Lease.

Landlord and Tenant agree to cooperate in good faith to work with the existing landlord to mitigate any holdover costs payable under the 908 N. Elm Lease. Additionally, Landlord will make its commercially reasonable efforts to turn over the Premises to Tenant as expeditiously as possible and to minimize delays in the Delivery Date, and Tenant will make its commercially reasonable efforts to occupy the Premises as expeditiously as possible.

(c) **CONFIRMATION OF COMMENCEMENT DATE.** Landlord and Tenant shall confirm the Commencement Date as provided herein by execution of the Commencement Date Agreement in the form attached hereto and incorporated herein as Exhibit E.

(d) **RENEWAL/TERMINATION OPTIONS.**

(i) Renewal Options: Tenant shall have the right and option to extend the term of this Lease for two (2) additional, successive terms of five (5) years each (each an "Extended Term") so long as, at the time of such renewal, no default exists beyond any cure period and is continuing. Each Extended Term shall be on and subject to the same terms, covenants and conditions as set forth herein; *provided, however*, "Base Rent" (as defined in Section 1 above) payable for the initial Lease Year of any Extended Term shall be the "fair market rate" as of the commencement of the initial Lease Year of the Extended Term, with each year thereafter escalating as set forth in Section 5(c) below. The exercise of such option shall be by written notice from Tenant to Landlord given at least twelve (12) months (the "Outside Notice Date"), but no earlier than eighteen (18) months (the "Early Notice Date"), prior to the expiration of the then existing Term. For purposes of this paragraph, the term "fair market rate" shall mean the fair market rate per Rentable Square Feet of Space that would be agreed upon between a landlord and a tenant entering into a new lease for comparable space as to location, size, configuration in a comparable building as to location, quality, age and reputation with a comparable term. Tenant agrees to give Landlord written notice requesting Landlord's designation of the fair market rate, which notice shall be given not earlier than the date which is ninety (90) days prior to the Early Notice Date nor later than the date which is ninety (90) days prior to the Outside Notice Date. If Tenant timely gives the aforesaid notice, Landlord thereupon agrees to give Tenant written notice ("Landlord's Notice") setting forth Landlord's proposed fair market rate ("Landlord's Proposed Rate"), Landlord's Notice to be given not later than the thirty (30) days following Landlord's receipt of Tenant's request for a determination of the fair market rate, and Tenant shall, within the next ten (10) business days following receipt of Landlord's Proposed Rate, notify Landlord in writing of Tenant's acceptance or rejection of Landlord's Proposed Rate. If Tenant timely notifies Landlord of Tenant's acceptance of Landlord's Proposed Rate, this Lease shall be extended as provided herein.

(ii) Termination Option: Tenant shall have the right and option to terminate this Lease, so long as, at the time of such termination, no default exists beyond any cure period and is continuing (the "Termination Option"). The right granted in this Section 4(d)(ii) shall be a one-time option granted only to the original Tenant and any permitted assigns. The exercise of the Termination Option shall be exercised by written notice from

Tenant to Landlord given at least twelve (12) months (the "Outside Termination Notice Date"), but no earlier than eighteen (18) months (the "Early Termination Notice Date"), prior to the tenth (10th) anniversary of the Commencement Date. Tenant's Termination Option shall not be valid unless, at the time of the tender of notice at either the Outside Termination Notice Date or the Early Termination Notice Date, Tenant shall also remit to Landlord an amount equal to the unamortized portion of: (A) the Tenant Improvement Allowance (defined in Section 12(a) below), (B) abated Rent, if any, (C) any third party commissions paid by Landlord relating to this Lease, and (D) an amount equal to six months of Rent due to Landlord at the rate calculated to be due as of the first six months of the eleventh Lease Year as if no Termination Option had been exercised; with (A), (B), (C) and (D) above calculated using a discount rate of eight percent (8%).

5. BASE RENT; LATE CHARGE.

(a) **BASE RENT.** Tenant shall pay to Landlord, in lawful money of the United States, commencing on the first day of the first month of the Term and continuing thereafter on the first (1st) day of each calendar month throughout the Term, Base Rent in the amount set forth in Section 1 above, subject to adjustment as provided in Section 5(c) below. Base Rent shall be payable in advance, without abatement, deduction, claim, offset, prior notice or demand, except as otherwise specifically provided herein. Base Rent for any partial month shall be prorated at the rate of 1/30th of the Base Rent per day. All Rent shall be paid to Landlord at Landlord's Address for Payment of Rent or at such other address as Landlord may specify by written notice to Tenant. Tenant shall authorize the payment of Base Rent and Additional Rent via an electronic funds transfer (an "EFT") in the form of an ACH payment on a monthly basis for receipt by Landlord no later than the second business day of each month. Landlord shall not be liable for any fees incurred in processing this EFT payment and it shall be the Tenant's sole responsibility to insure that the EFT payment does not overdraw its account. Landlord shall not be responsible for any consequential or incidental damages associated with any EFT.

(b) **LATE CHARGE.** Tenant acknowledges that the late payment by Tenant of any Rent will cause Landlord to incur administrative, collection, processing and accounting costs and expenses not contemplated under this Lease, the exact amount of which are extremely difficult or impracticable to determine. Therefore, if any Rent is not received by Landlord from Tenant on the day such Rent is due, Tenant shall immediately pay to Landlord a late charge equal to the greater of five percent (5%) of the amount of such Rent or Seventy-five and No/100th Dollars (\$75.00). Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for its loss caused by Tenant's nonpayment. Should Tenant pay said late charge but fail to pay contemporaneously therewith all unpaid amounts of Rent, Landlord's acceptance of this late charge shall not constitute a waiver of Tenant's default with respect to Tenant's nonpayment nor prevent Landlord from exercising all other rights and remedies available to Landlord under this Lease or under law.

(c) **ESCALATION RATE.** Beginning on the anniversary date of the last calendar day of the month following the Commencement Date and on each successive anniversary date thereafter during the Term of this Lease (each an "Adjustment Date"), the

amount of the Base Rent shall be increased by two and one-half percent (2.5%) per annum from the prior Adjustment Date (the "Escalation Rate").

6. **RENT ADJUSTMENT** In addition to the Base Rent, Tenant shall pay on the same date that such Base Rent is due, as Additional Rent, the Rent Adjustments (as hereinafter defined) without set-off or deduction, except as provided elsewhere in this Lease, to Landlord in the manner hereinafter set forth. The amount of Rent Adjustments due and payable under this Lease shall be calculated as follows:

(a) Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share of Expenses for each Calendar Year in excess of the Base Year amount (said amount being the "Expense Rent Adjustment").

(b) Tenant shall pay to Landlord, as Additional Rent, Tenant's Proportionate Share of Taxes for each Calendar Year in excess of the Base Year amount (said amount being the "Tax Rent Adjustment").

(c) As to the initial Calendar Year, Tenant's Proportionate Share of Taxes and the amount of Tenant's Proportionate Share of Expenses (based upon the estimated number of months of the Term within such initial Calendar Year), shall not be estimated above estimated amounts due pursuant to the Base Year.

(d) As to each Calendar Year after the initial Calendar Year, Landlord will reasonably estimate for each such Calendar Year (i) the total amount of Taxes; (ii) the total amount of Expenses; (iii) Tenant's Proportionate Share of Taxes in excess of the Base Year amount; (iv) Tenant's Proportionate Share of Expenses in excess of the Base Year amount; and (v) the computation of the annual and monthly Additional Rent payable during such Calendar Year as a result of increases or decreases in Tenant's Proportionate Share of Taxes and Tenant's Proportionate Share of Expenses, in excess of the Base Year amount. Such estimate will be in writing and will be delivered to Tenant at the Premises.

(e) Tenant will pay, as Additional Rent, the respective amounts of Tenant's Proportionate Share of Taxes and Tenant's Proportionate Share of Expenses for each Calendar Year in excess of the Base Year amount, as reasonably estimated by Landlord hereunder, in equal monthly installments, in advance, on the first day of each month during each applicable Calendar Year. In the event that such estimate is delivered to Tenant after the first day of January of the applicable Calendar Year, then the last estimate for the prior Calendar Year will remain in effect until the estimate for the applicable Calendar Year has been delivered to Tenant. Such newly estimated amount will thereafter be payable as Additional Rent hereunder, in equal monthly installments, in advance, on the first day of each month over the balance of such Calendar Year, with the number of installments being equal to the number of full calendar months remaining in such Calendar Year. Landlord shall limit the increase, if any, in Controllable Operating Expenses, on a yearly basis, to no more than five percent (5%) (compounded annually) of the prior year's Controllable Operating Expenses. For purposes of determining the increase, if any, of Controllable Operating Expenses year over year, the maximum increase of five percent (5%) shall not apply to any amounts not charged to tenants in

the previous year due to any payment, reimbursement or reduction in payment received on any contractor, component or manufacturer's warranties relating to the Building or the Premises.

(f) From time to time during any applicable Calendar Year (but not more often than twice in any calendar year), Landlord may reasonably re-estimate the amount of Taxes and Expenses and Tenant's Proportionate Share thereof, in such event Landlord will notify Tenant, in writing (and provide appropriate back-up analysis for such re-estimate), of such re-estimate in the manner above set forth and fix monthly installments for the then-remaining balance of such Calendar Year in an amount sufficient to pay the re-estimated amount over the balance of such Calendar Year, after giving credit for payments made by Tenant on the previous estimate.

(g) Upon completion of each Calendar Year, Landlord will determine the actual amount of Taxes and Expenses for such Calendar Year and Tenant's Proportionate Share thereof over the Base Year amount, and will deliver a written notice of the amounts thereof to Tenant within one hundred eighty (180) days after the end of each Calendar Year. If Tenant has paid less than its Proportionate Share of Taxes or less than its Proportionate Share of Expenses for any Calendar Year, Tenant will pay the balance of its Proportionate Share of the same within thirty (30) days after receipt of such statement. If Tenant has paid more than its Proportionate Share of Taxes or more than its Proportionate Share of Expenses for any Calendar Year, Landlord will credit such excess against the most current monthly installment or installments due Landlord for Base Rent and Landlord's estimate of Tenant's Proportionate Share of Taxes or Tenant's Proportionate Share of Expenses for the next following Calendar Year, or, if there shall then no longer be any further Rent Adjustments to come due under the Lease, Landlord shall refund such excess to Tenant within thirty (30) days after Landlord's delivery of such statement to Tenant provided that no other funds are due and payable to Landlord, such obligation to survive the expiration of this Lease. A pro rata adjustment will be made for a fractional Calendar Year occurring during the Term or any renewal or extension thereof based upon the number of days of the Term during such Calendar Year as compared to three hundred sixty-five (365) days, and all additional sums payable by Tenant or credits due Tenant as a result of the provisions of this Section 6 will be adjusted accordingly.

Upon reasonable advance written notice, and during normal business hours, Tenant and its employees, agents and representatives will have the right, at the office of Landlord, to inspect and review Landlord's books and records with respect to (and only with respect to) Taxes and Expenses; provided, however, that any such review will be completed in not more than three (3) months after the date on which Landlord has submitted its statement as provided in this Section 6. If Tenant believes that any error exists in Landlord's calculation of Taxes or Expenses, Tenant will notify Landlord thereof (giving reasonable detail of the basis for Tenant's belief) within ten (10) business days after the completion of such review. Then, if within ten (10) business days after the delivery of such notification, Landlord and Tenant are not able to agree on the amount of the Taxes or Expenses, such disagreement will be resolved as follows: Within five (5) business days after Landlord's and Tenant's failure to reach agreement as aforesaid, Landlord and Tenant will agree on an independent certified public accountant (the compensation of whom will not be incentive-based or otherwise dependent, in whole or in part, on the discovery of errors in the computation of the Taxes or the Expenses) to be designated to resolve such disagreement ("Independent CPA"). If Landlord and Tenant are unable to agree on

the Independent CPA to be designated, then within five (5) business days after the expiration of the aforesaid initial five (5) business day period, each of Landlord and Tenant will designate an independent certified public accountant (the compensation of whom will not be incentive-based or otherwise dependent, in whole or in part, on the discovery of errors in the computation of the Taxes or the Expenses), which designation will be set forth in a written notice given to the other. Within five (5) business days thereafter, such two (2) independent certified public accountants will designate a third independent certified public accountant (subject to the aforesaid requirements as to compensation) who will act as the Independent CPA hereunder. Within thirty (30) days after his or her designation, the Independent CPA will determine the amount of the Taxes and Expenses for the Calendar Year in question, which determination will be made in accordance with the terms, provisions and conditions of this Lease and will be final and binding on both Landlord and Tenant, absent manifest error. Landlord and Tenant will make any necessary adjusting payments to each other within thirty (30) days after the Taxes and Expenses have been determined in accordance with the foregoing applicable provisions. The costs of the aforesaid review (including, without limitation, the costs of the Independent CPA and the costs of the other two independent certified public accountants, if applicable) will be borne entirely by Tenant if the results thereof reveal an error which is equal to five percent (5%) or less in both the Taxes and the Expenses. The costs of the aforesaid review (including, without limitation, the costs of the Independent CPA and the costs of the other two independent certified public accountants, if applicable) will be borne entirely by Landlord if the results thereof reveal an error which is greater than five percent (5%) in either Taxes and the Expenses.

If the Commencement Date is on any day other than the first day of January, or if the Expiration Date is on any day other than the last day of December, any Rent Adjustments due Landlord for the Calendar Year in which such Commencement Date or Expiration Date occurs shall be prorated. **Additionally, and notwithstanding any provision of the Lease, including, without limitation, the foregoing provisions of this Section 6 to the contrary, Tenant shall have no obligation to pay any Rent Adjustments calculated prior to the 2016 Lease Year.**

7. **BUILDING MANAGEMENT**□ Landlord and Tenant agree that a property manager may manage and lease the Property in accordance with the requirements of Section 10(a) under a separate management agreement.

8. **PERSONAL PROPERTY TAXES**□ Tenant shall pay prior to delinquency, all personal property taxes assessed against and levied upon trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises or elsewhere. Tenant shall cause such trade fixtures, furnishings, equipment and all other personal property of Tenant to be assessed and billed separately from the Property.

9. USE OF PREMISES.

(a) Tenant shall use the Premises only for the purposes set forth Section 1 and for no other purpose, without Landlord's prior written consent. Tenant shall not use or permit the use of the Premises in a manner that creates waste or a nuisance or for any purpose that unreasonably disturbs the Landlord or actually causes damage to neighboring premises or properties.

(b) Tenant shall not at any time use or occupy the Premises, or permit any act or omission in or about the Premises in violation of any applicable law, statute, ordinance or any governmental rule, regulation or order (collectively, "Law" or "Laws") and Tenant shall, upon written notice from Landlord, discontinue any use of the Premises which is declared by any governmental authority having jurisdiction to be a violation of Law, unless Tenant is contesting same in good faith, and if Tenant contests same, Tenant shall be responsible for all costs and expenses incurred in connection with such contest, including reimbursing Landlord for any reasonable, out of pocket expenses, costs, fines or penalties incurred upon Landlord as a direct result of such contest of the violation. If any Law shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to (i) modification or other maintenance of the Premises or (ii) the use, alteration or occupancy thereof, Tenant shall comply with such Law at Tenant's sole cost and expense, including, without limitation, any costs associated with any Special Permits, and if any law requires modification or other maintenance of the Building or Property, Landlord shall comply with such Law and Tenant shall pay for its Tenant's Proportionate Share of such costs. For the sake of clarity, the failure of Tenant to comply with the terms of this Section 9(b) shall not relieve Tenant of the obligation to pay Rent.

(c) Tenant shall not at any time use or occupy the Premises in violation of the certificates of occupancy issued by the Village of Hinsdale for the Building or the Premises. The failure by Tenant to discontinue any use in violation of the certificate of occupancy following notice thereof, and expiration of the applicable cure period set forth in Section 22 below shall be considered a default under this Lease and Landlord shall have the right to exercise any and all rights and remedies provided herein or by Law to remedy any such violation. Any statement in this Lease of the nature of the business to be conducted by Tenant in the Premises shall not be deemed or construed to constitute a representation or guaranty by Landlord that such business will continue to be lawful or permissible under any certificate of occupancy issued for the Building or the Premises, or otherwise permitted by Law. Tenant shall at all times be responsible for the payments of any fees, fines, costs or penalties imposed by the Village of Hinsdale for any such violation by Tenant.

(d) Tenant shall not do, or knowingly permit to be done by any employee agent, invitee or guest of Tenant, anything in the Building which may invalidate or increase the cost of any fire, all risk or other insurance policy covering the Building and/or property located therein and shall comply with all rules, orders, regulations and requirements of the appropriate fire codes and ordinances or insurance underwriter or other entity performing a similar function. In addition to all other remedies of Landlord, Landlord may require Tenant, promptly upon demand, to reimburse Landlord for the full amount of any additional premiums charged for such policy or policies by reason of Tenant's failure to comply with the provisions of this Section.

(e) Tenant shall not use or allow the Premises to be used for any improper, immoral, unlawful or commonly deemed objectionable purpose, nor shall Tenant cause, maintain, or permit any nuisance in, on or about the Premises or the Building. Tenant shall not place weight upon any portion of the Premises exceeding the structural floor load (per square foot of area) which such area was designated (and is permitted by Law) to carry or otherwise use any Building system in excess of its capacity or in any other manner which may damage such system or the Building. Tenant shall not commit or suffer to be committed any waste in, on, upon or about the Premises or the Building.

(f) Tenant shall take all reasonable steps necessary to adequately secure the Premises from unlawful intrusion, theft, fire and other hazards, and shall keep and maintain any and all security devices in or on the Premises in good working order, including, but not limited to, door locks for the Premises and smoke detectors located within the Premises and shall reasonably cooperate with Landlord and other tenants with respect to access control and other safety matters, Landlord acknowledging and agreeing, however, that Landlord is responsible for constructing the life safety and security systems of the Building in accordance with Exhibit C attached hereto and otherwise as set forth in final approved plans and that Landlord is responsible for life safety systems and security systems in the Common Areas.

(g) As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State or the United States Government, including, without limitation, any material or substance which is (A) defined or listed as a "hazardous waste," "pollutant," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance" or "hazardous material" under any applicable federal, state or local Law or administrative code promulgated thereunder, (B) petroleum, or (C) asbestos.

(i) Tenant agrees that all operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, by Tenant, its assignees, subtenants, and their respective agents, servants, employees, representatives and contractors (collectively referred to herein as "Tenant Affiliates"), throughout the term of this Lease, shall be in all respects in compliance with all federal, state and local Laws then governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, release, spillage, leakage, dumping, discharge or disposal of any Hazardous Materials by Tenant or any of Tenant's Affiliates. Landlord agrees that all operations or activities upon, at any use or occupancy of the Building, or any portion thereof, by Landlord, its assignees, subtenants and their respective agents, servants, employees, representatives and contractors (collectively, referred to herein, as "Landlord Affiliates"), throughout the term of this Lease, shall be in all material respects in compliance with all federal, state and local laws then governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, release, spillage, leakage, dumping, discharge or disposal of Hazardous Materials by Landlord or any of Landlord's Affiliates.

(ii) Tenant agrees to indemnify, defend and hold Landlord and Landlord's Affiliates harmless for, from and against any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, penalties, fines,

costs, liabilities, interest or losses, including reasonable and documented attorneys' fees and expenses, court costs, reasonable consultant fees, and reasonable expert fees, together with all other costs and expenses of any kind or nature that arise during or after the Lease Term directly or indirectly from or in connection with the presence, suspected presence, or release of any Hazardous Material in or into the air, soil, surface water or groundwater at, on, about, under or within the Premises, or any portion thereof caused by Tenant or Tenant Affiliates. Landlord agrees to indemnify, defend and hold Tenant harmless for, from and against any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, penalties, fines, costs, liabilities, interest or losses, including reasonable and documented attorneys' fees and expenses, court costs, reasonable consultant fees, and reasonable expert fees, together with all other costs and expenses of any kind or nature that arise during or after the Lease Term directly or indirectly from or in connection with the presence, suspected presence, or release of any Hazardous Material in or into the air, soil, surface water or groundwater at, on, about, under or within the Premises, or any portion thereof caused by Landlord or Landlord's Affiliates.

(iii) In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal or other remedial work (collectively, the "Remedial Work") is required under any applicable federal, state or local Law, by any judicial order, or by any governmental entity as the result of operations or activities upon, or any use or occupancy of any portion of the Premises by Tenant or Tenant Affiliates, Tenant shall perform or cause to be performed the Remedial Work in compliance with such Law or order at Tenant's sole cost and expense. All such Remedial Work shall be performed by one or more contractors reasonably approved by Landlord in advance in writing. In the event any Remedial Work is required under any applicable federal, state or local Law, by any judicial order, or by any governmental entity as the direct result of operations or activities upon, or any use or occupancy of any portion of the Property by Landlord or Landlord Affiliates, Landlord shall perform or cause to be performed the Remedial Work in compliance with such Law or order at Tenant's sole cost and expense. All costs and expenses of such Remedial Work shall be paid by the party obligated to perform such Remedial Work, including, without limitation, the charges of such contractor(s), the consulting engineer, and Landlord's reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work.

(iv) Each of the covenants and agreements of Landlord and Tenant set forth in this Section 9(g) shall survive the expiration or earlier termination of this Lease.

(v) Tenant agrees, at its sole cost and expense, to comply with all federal, state and local laws in connection with the disposal of Infectious Waste, if any by Tenant. Infectious Waste shall be segregated into plastic bags, which are impervious to moisture and have strength sufficient to preclude ripping, tearing or bursting under normal conditions of usage and of handling. Each exterior bag shall be red in color. Sharps (needles, syringes and scalpels) shall be contained in disposable, rigid, puncture proof containers, which are taped closed or tightly lidded to preclude loss of contents and clearly labeled "SHARPS". As used herein, the term "Infectious Waste" shall include: (i) wastes deemed infectious by the generator; (ii) cultures and stocks of infectious

agents, including specimen cultures, wastes from the production of biological and discarded live vaccines; (iii) laboratory wastes; (iv) pathological wastes; (v) animal carcasses; (vi) human and animal blood specimens or products (vii) patient wastes such as bandages and disposable gowns; (viii) sharp wastes; (ix) and any material generated by research facilities pertaining to the production or testing of biological agents. Infectious waste and/or laboratory specimen containers may not be placed in the hallways or other Common Areas of the Building.

(h) Tenant and its authorized representatives shall comply with the Rules and Regulations set forth on Exhibit D attached hereto. Landlord shall have the right to reasonably amend, on thirty (30) days advance written notice, the Rules and Regulations from time to time provided, they are uniformly applied to all tenants in the Building and further provided that any such amendments do not unreasonably restrict Tenant's access to, and use and occupancy of, the Premises and the Common Areas. In the event of a conflict between this Lease and the Rules and Regulations, as amended, this Lease shall control. Landlord shall have the right to enforce the Rules and Regulations, and shall apply and enforce such rules and regulations in a uniform, non-discriminatory manner. Landlord shall have no liability whatsoever with respect to the noncompliance by other tenants or their authorized representatives with any of such Rules and Regulations, provided, however, Landlord shall take reasonable steps to enforce such Rules and Regulations and shall not discriminate against Tenant in the enforcement of such Rules and Regulations.

10. LANDLORD'S MAINTENANCE; INCLUSION IN EXPENSES.

(a) **LANDLORD'S MAINTENANCE.** Except as provided in Section 11 captioned "Tenant's Maintenance; Remedies" (including Tenant's responsibility for damages resulting from the negligence or willful misconduct of Tenant or its agents, employees or invitees as more fully provided in Section 11(a) below, Section 19 captioned "Destruction" and Section 20 captioned "Condemnation" Landlord shall maintain in good condition and repair in a manner and level consistent with a first-class medical office building in Chicago, Illinois, the following: (i) the structural parts of the Building, including the foundations, bearing and exterior walls (excluding plate glass in the ground floor portions of the Premises), subflooring and roof, (ii) the building standard lighting fixtures, window coverings and ceiling tiles and the common electrical, plumbing and sewage systems, including, without limitation, those portions lying outside the Premises, (iii) the heating, ventilating and air-conditioning system servicing the Building, (iv) the lobbies, corridors, elevators, public or common restrooms and other common areas of the Building, and (v) the sidewalks, grounds, landscaping, green space, parking areas, loading areas, if any, and other common areas of the Property. Landlord shall be liable for any damage to the Premises or Building resulting from the actions of Landlord or its agents, employees, or invitees.

(b) **INCLUSION IN EXPENSES.** The reasonable, cost of maintaining, repairing or servicing the portions of the Building that Landlord is required to maintain pursuant to this Section shall be included in EXPENSES to the extent provided herein.

(c) **LATENT DEFECTS.** Landlord, at its sole cost and expense, shall be responsible for repair or replacement of any structural parts of the Building (as described in

Section 10(a)(i) above) or latent defects in the Building during the Lease Term, including any Extended Term. The cost for such repair and/or replacement of any structural or latent defects shall not be included in Expenses.

(d) HAZARDOUS MATERIALS; LANDLORD.

(i) Landlord agrees that all operations or activities upon the Premises, or any portion thereof, by Landlord, its assignees, and their respective agents, servants, employees, representatives and contractors (collectively referred to herein as "Landlord Affiliates"), throughout the term of this Lease, shall be in all respects in compliance with all federal, state and local Laws then governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, release, spillage, leakage, dumping, discharge or disposal of any Hazardous Materials.

(ii) Landlord represents that it has knowledge that asbestos containing materials ("ACM") floor tile exist within base Building stair towers. Landlord shall be responsible for remediating such ACM floor tiles, if and as required by applicable governmental authorities.

(iii) Except as set forth in this Section, Landlord does not have knowledge of the existence of any other ACM located in the Building. In the event any investigation or monitoring of site conditions discovers the existence of ACM during the performance of Tenant's Improvements, Landlord shall be responsible for abating such ACM in accordance with applicable standards, rules and regulations. All costs and expenses of such work shall be paid by Landlord.

(e) ADA COMPLIANCE. Landlord shall provide accessibility to the Building through new exterior access points to be located at grade level on the south side of the Building in compliance with the standards set forth in the Americans with Disabilities Act (the "ADA").

11. TENANT'S MAINTENANCE; REMEDIES.

(a) TENANT'S MAINTENANCE. Except as provided in Section 10 captioned "Landlord's Maintenance; Inclusion in Expenses," Section 19 captioned "Destruction" and Section 20 captioned "Condemnation" and except for damage caused by any negligent or intentional act or omission of Landlord or its authorized representatives, Tenant, at its cost, shall maintain in good condition and repair the interior, non-structural portions of the Premises (ordinary wear and tear excepted), including, without limitation, all of the Tenant Improvements (except for latent defects as described in Section 10(c) above), Tenant's alterations, Tenant's trade fixtures, Tenant's personal property, signs, walls, interior partitions, wall coverings, windows, non-building standard window coverings, glass, doors, carpeting and resilient flooring, non-building standard ceiling tiles, plumbing fixtures, non-building standard lighting fixtures, all HVAC equipment that is solely for the use of the Premises (including, but not limited to outdoor air handlers, condensing units, VAV boxes, fan powered boxes, packaged roof-top units, exhaust fans, steam generators, unit heaters, ductless split system serving the IT closet, controls for Tenant's equipment, water heaters, water softeners, etc.), any HVAC equipment/terminal units

located within the Premises, such as radiant heating panels that are connected to the base building boiler system or terminal units connected to the base building fans and ductwork, any generator serving only the Premises and all electrical service and panels installed solely for the use of the Tenant.

(b) . Tenant shall be liable for any damage to the Premises and the Building resulting from the acts or omissions of Tenant or its agents, employees or invitees.

(c) LANDLORD'S REMEDIES. If Tenant fails to maintain the Premises in good condition and repair as required by Subsection 11(a) and if such failure is not cured within thirty (30) days after written notice of such failure is given by Landlord to Tenant (provided, however, that if such failure cannot be cured within such thirty (30) days despite good faith efforts, then such thirty (30) days shall be extended for such reasonable period of time as is required to cure such failure), then Landlord may, at its option, cause the Premises to be maintained in good condition and repair and Tenant shall promptly reimburse Landlord for all reasonable costs incurred by Landlord in performance of Tenant's obligation to maintain the Premises.

12. LANDLORD'S WORK;TENANT ALTERATIONS.

(a) TENANT IMPROVEMENT ALLOWANCE. Provided that Tenant is not in default of this Lease beyond any applicable cure period, Landlord shall provide for the payment (as set forth in the Work Letter Agreement attached hereto as Exhibit C) of an amount equal to the sum of \$250.00 per rentable square foot of the Premises, which is estimated to be 16,588 Rentable Square Feet of Space (hereinafter referred to as the "Tenant Improvement Allowance"). Except as may be otherwise provided in the Work Letter Agreement attached hereto as Exhibit C, the Tenant Improvement Allowance shall be utilized solely for (i) hard and soft construction costs directly related to the construction within the Premises (excluding all furniture, fixtures or personal property of any kind), as more fully described in the Work Letter Agreement and (ii) reimbursement to Tenant of the termination penalty relating to the early termination of the 908 N. Elm Lease in an amount not to exceed \$519,584.90 (the "Termination Penalty"). For the avoidance of doubt, the Tenant Improvement Allowance shall be applied first, for the costs actually incurred by Landlord in (i) above and, second, any remaining amount shall be applied to (ii) above. Landlord shall not be required to reimburse Tenant for any portion of the Termination Penalty paid to the 908 N. Elm landlord until receipt from Tenant of the first month of Rent due pursuant to this Lease. The remaining portion of the Tenant Improvement Allowance shall be advanced by Landlord as set forth in the Work Letter Agreement attached hereto as Exhibit C.

(b) WORK LETTER AGREEMENT. Landlord shall build-out the Premises, and shall finish the interior of the Premises, pursuant to terms of this Lease and the Work Letter Agreement attached hereto as Exhibit C. Such build-out of the Premises and such finishing of the interior of the Premises are referred to collectively as "Landlord's Work"). In connection with Landlord's Work, Landlord shall provide all preliminary and final plans, drawings and specifications, and Landlord shall arrange for all necessary and desirable architectural and space planning work. All plans and specifications for the finishing of the interior of the Premises, all architectural and space planning work, and the cost of the work to finish the interior of the

Premises (including all architectural and engineering costs), shall be mutually approved by Landlord and Tenant and paid for out of the Tenant Improvement Allowance. Tenant agrees that when any such approval is requested of Tenant by Landlord, Tenant shall respond to Landlord within five (5) business days of Landlord's request. In the event that Tenant shall disapprove of any item for which its approval is sought, Tenant shall clearly state the reasons therefor. The parties agree that in the event that all plans and specifications for the finishing of the interior of the Premises, all architectural and space planning work, and the cost of the work to finish the interior of the Premises are not agreed upon by Landlord and Tenant on or before the earlier of the Effective Date or October 31, 2014, then Landlord shall not be obligated to deliver the Premises on or before August 1, 2015; rather the applicable commencement date shall be extended by one day for each day between August 2, 2015 and the date that all such items have been approved. All of Landlord's Work shall be done in a good and workmanlike manner. All of Landlord's Work shall be done in compliance with the approved plans and specifications, all applicable provisions of this Lease and all applicable laws, ordinances, directions, rules and regulations of governmental authorities having jurisdiction thereof.

(c) **LANDLORD TO CORRECT DEFECTIVE WORK.** Landlord shall promptly correct all defects in Landlord's Work and all failures of Landlord's Work to conform to the plans and specifications for such Work, in any material respect, which defects or nonconformities are discovered before or within one year after the date upon which Tenant first occupies the Premises. Landlord shall bear all costs of correcting Landlord's Work. Landlord and Tenant shall each give the other prompt written notice after discovering the existence of any such defects or nonconformities in Landlord's Work.

(d) **TENANT ALTERATIONS.** Except as set forth below, any alterations, additions, or improvements made by or on behalf of Tenant to the Premises ("Alterations") shall be subject to Landlord's prior written consent, such consent shall not be unreasonably withheld or delayed. The term "Alteration" shall not include any of the Landlord's Work as such term is defined on Exhibit C hereto. Notwithstanding the foregoing to the contrary, Tenant shall not make (i) any structural alterations, improvements or additions to the Premises, or (ii) any alterations, improvements or additions to the rooftop of the Building which (a) will adversely impact the Building's mechanical, electrical or heating, ventilation or air conditioning systems, or (b) will adversely impact the structure of the Building, or (c) are visible from the exterior of the Premises, or (d) which will result in the penetration or puncturing of the roof or floor, without, in each case, first obtaining Landlord's prior written consent or approval to such Alterations (which consent or approval shall be in the Landlord's sole and absolute discretion); provided, however, Tenant shall be permitted to make Alterations which are of a cosmetic nature or which cost less than \$50,000.00 in the aggregate as to any project which does not relate to (i) or (ii) above, without the requirement of obtaining Landlord's consent, after receipt by Landlord of notice of such Alterations, and receipt of sufficient identification, scheduling and proof of adequate insurance of the entities performing such Alterations. Tenant shall cause, at its sole cost and expense, all Alterations to comply with reasonable insurance requirements and with Laws and shall construct, at its sole cost and expense, any alteration or modification required by Laws as a result of any Alterations. All Alterations shall be constructed at Tenant's sole cost and expense and in a good and workmanlike manner by contractors reasonably acceptable to Landlord and only good grades of materials shall be used. All plans and specifications for any Alterations requiring Landlord's approval shall be submitted to Landlord for its approval.

Landlord may monitor construction of the Alterations. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit, and Landlord shall have no duty to see that such plans and specifications or construction comply with applicable laws, codes, rules and regulations. Landlord shall have the right, in its sole discretion, to instruct Tenant to remove those improvements or Alterations from the Premises which (i) were not approved in advance by Landlord (to the extent Landlord's approval was required), or (ii) were not built in conformance with the plans and specifications approved by Landlord (to the extent Landlord's approval was required). Any Alterations remaining in the Premises following the expiration of the Lease Term or following the surrender of the Premises from Tenant to Landlord, shall become the property of Landlord unless Landlord notifies Tenant otherwise. Tenant shall provide Landlord with the identities and mailing addresses of all persons performing work or supplying materials, prior to beginning such construction, and Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall assure payment for the completion of all work free and clear of liens and shall provide certificates of insurance for worker's compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for bodily injury or property damage during construction. Upon completion of any Alterations and upon Landlord's reasonable request, Tenant shall deliver to Landlord certified statements setting forth the names of all contractors and subcontractors who did work on the Alterations and final lien waivers from all such contractors and subcontractors.

(e) NO LIENS ON THE BUILDING. Tenant shall keep the Premises and the Building free from any and all liens arising out of any Alterations, work performed, materials furnished, or obligations incurred by or for Tenant (other than Landlord's Work, which shall be Landlord's responsibility). In the event that Tenant shall not, within thirty (30) days following the imposition of any such lien, cause the same to be released of record by payment or posting of a bond in a form and issued by a surety reasonably acceptable to Landlord, Landlord shall have the right, but not the obligation, to cause such lien to be released by such means as it shall deem proper (including payment of or defense against the claim giving rise to such lien); in such case, Tenant shall reimburse Landlord for all reasonable amounts so paid by Landlord in connection therewith, together with all of Landlord's reasonable and documented costs and expenses, with interest thereon at the rate of 5% per annum and Tenant shall indemnify each and all of the Landlord Indemnitees (defined below) against any damages, losses or costs arising out of any such claim. Tenant's indemnification of Landlord contained in this Section shall survive the expiration or earlier termination of this Lease. Such rights of Landlord shall be in addition to all other remedies provided herein or by law.

13. UTILITIES AND SERVICES.

(a) UTILITIES AND SERVICES FURNISHED BY LANDLORD. Tenant shall pay for all gas, heat, light, power, telephone and other utilities and services supplied to, and consumed at, the Premises, and Landlord shall, as part of Landlord's Work, cause all such utilities and services to be separately metered (to the extent possible), as provided in Exhibit C attached hereto. If any such services are not separately metered to Tenant, then the costs and expenses incurred by Landlord to provide the services required under this Section 13 shall be included in Expenses under Section 6 above and, accordingly, Tenant will pay Tenant's

Proportionate Share of such costs and expenses. Unless otherwise separately metered by Tenant, Landlord shall furnish the Premises with:

(i) Electricity for lighting and power suitable for the use of the Premises for ordinary general office or medical office purposes; provided, however, that Tenant shall not at any time have a connected electrical load for lighting purposes in excess of four (4) watts per rentable square foot of the Premises or a connected load for all other power requirements in excess of four (4) watts per rentable square foot of the Premises, and the electricity so provided for lighting and power shall not exceed such limits;

(ii) Subject to the reasonable limitations of the Building systems (and at a minimum the Building systems will satisfy the requirements set forth in Exhibit C attached hereto or otherwise set forth in the final approved plans), heating, ventilating and air-conditioning to maintain a temperature range in the Premises as set forth in the final approved plans. Tenant agrees to keep closed all blinds and draperies (when necessary) and keep all windows closed to provide for the efficient operation of the heating and air conditioning systems, if any, and Tenant agrees to cooperate with Landlord and to abide by the reasonable regulations and requirements which Landlord may prescribe for all premises within the Building for the proper functioning and protection of the heating, ventilating and air-conditioning system which are uniformly applied to all tenants in the Building. As more fully provided in the final approved plans, if a supplemental specialized system is necessary for Tenant's use of the Premises, Landlord agrees to provide, at the sole cost of the Tenant, a heating, ventilating and air-conditioning system ("HVAC System") for that portion of the Premises which shall operate separate and apart from the HVAC System of the Building. Accordingly, costs and expenses of providing heating, ventilating and air conditioning services relating to such separated HVAC System shall not be included as Expenses, but shall be a separate cost of Tenant. Heating, ventilating and air conditioning shall be provided to the Common Areas (and the Premises, to the extent such service is not provided by a separate HVAC System, as set forth above) from 6:00 a.m. to 7:00 p.m., Monday through Friday (other than Holidays) and from 8:00 a.m. to 1:00 p.m. on Saturdays (other than Holidays) ("Normal Business Hours"), subject to matters beyond Landlord's reasonable control. The times and days for heating, ventilating and air-conditioning for the Premises shall be set by Tenant.

(iii) Water for restroom and drinking purposes and access to restroom facilities for the Building as well as such other water service as provided in Exhibit C;

(iv) Elevator service for general medical office usage at a minimum satisfying the requirements of Exhibit C attached hereto or otherwise as set forth in the final approved plans; not less than one (1) passenger elevator shall be made available for use by Tenant on a 24-hour per day, 7-day per week basis;

(v) Relamping of building-standard light fixtures;

(vi) Washing of interior and exterior surfaces of exterior windows with reasonable frequency;

(vii) Tenant shall provide janitorial services for the Premises at its own cost and, accordingly, costs and expenses incurred to provide janitorial services to other non-common areas of the Building shall not be included in Expenses;

(viii) A Building engineer available for emergencies and inspections as well as property management inspections; and

(ix) Camera installation in the Building and secured (after-hours) key-card access to the first floor of the Building. Tenant shall have access to the Building 24 hours per day seven days per week. Tenant acknowledges that Landlord has no responsibility to, nor does it, actively monitor the Building. Tenant shall maintain sole responsibility on providing secure access to the Premises.

(b) PAYMENT FOR EXCESS UTILITIES AND SERVICES. All services and utilities for the Premises requested by Tenant but not required to be furnished by Landlord pursuant to Section 13(a) shall be paid for by Tenant. If Tenant requires, on a regular basis, water, heat, air conditioning, electric current, elevator or janitorial service in excess of that provided for in Section 13(a), Landlord may install an electric current or water meter (including, without limitation, any additional wiring, conduit or panel required therefor) to measure the excess electric current or water consumed by Tenant or may cause the excess usage to be measured by other reasonable methods (e.g. by temporary "check" meters or by survey). Tenant shall pay to Landlord upon demand (i) the actual, out-of-pocket cost of any and all water, heat, air conditioning, electric current, additional janitorial, elevator or other services or utilities required to be furnished to Tenant in excess of the services and utilities required to be furnished by Landlord as provided in Section 13(a); (ii) the reasonable, cost of installation, maintenance and repair of any meter installed for the benefit of the Premises under this Section 13(b); (iii) the actual cost (without mark-up by Landlord) of all electricity and water consumed by Tenant in connection with any dedicated heating, ventilating and/or air-conditioning, computer power and/or air-conditioning, telecommunications or other special systems of Tenant, including any power usage other than through existing standard 110-volt AC outlets; and (iv) any reasonable cost incurred by Landlord in keeping account of or determining such excess utilities or services furnished to Tenant. Landlord's failure to bill Tenant for any such excess utilities or services shall not waive Landlord's right to bill Tenant for the excess at a later time.

Without limiting the generality of the effect of the foregoing, in the event that Tenant requests that heating, ventilating and air-conditioning be provided to the first floor Common Areas after Normal Business Hours, Tenant shall be responsible for reimbursing Landlord for Landlord's reasonable, incremental costs, excluding depreciation, of providing such additional Common Areas HVAC services. If another tenant requests such after-hours Common Area services, such costs shall be prorated accordingly among the requesting tenants and Tenant shall only be obligated to pay its prorata share.

(c) SPECIAL ELECTRICAL OR WATER CONNECTIONS; ELECTRICITY USE. Tenant will not, without the prior consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed, connect or use any apparatus or device in the Premises (i) using current in excess of specifications set forth on Exhibit C attached hereto or otherwise as set forth in the final approved plans, or (ii) which would cause Tenant's connected

load to exceed any limits established in Section 13(a) or otherwise as specified on Exhibit C attached hereto or in the final approved plans. Tenant shall not connect with electric current except through existing outlets in the Premises and shall not connect with water pipes except through existing plumbing fixtures in the Premises or through such additional outlets or fixtures as are installed by Tenant pursuant to Section 12 above. In no event shall Tenant's use of electricity exceed the capacity of existing feeders to the Building or the risers or wiring installation, and Landlord may prohibit the use of any electrical equipment which in the opinion of Landlord's engineer will overload such wiring or unreasonably interfere with the use thereof by other tenants in the Building. If Landlord consents to the use of equipment requiring such changes (to the extent such consent is required), Tenant shall pay the reasonable cost of installing any additional risers, panels or other facilities that may be necessary to furnish energy to the Premises. Any Alterations by Tenant to install any such facilities are subject to the requirements of Section 12(c) above. Unless otherwise determinable by review of any existing plans, Landlord will not permit additional coring of the floor of the Premises in order to install new electric outlets or plumbing lines in the Premises unless Tenant furnishes Landlord with X-ray scans of the floor area where the Tenant wishes to place additional electrical outlets or plumbing lines and Landlord, in its absolute discretion, is satisfied, on the basis of such X-ray scans and other information obtained by Landlord, that coring of the floor in order to install such additional outlets or plumbing lines will not weaken the structure of the floor.

(d) **LANDLORD'S DUTIES.** Landlord shall not be in default under this Lease or liable for any damages resulting from, or incidental to, any of the following, nor shall any of the following be an actual or constructive eviction of Tenant, nor shall the Rent be abated by reason of: (i) failure to furnish or delay in furnishing any of the services described in this Section when such failure or delay is caused by accident or any condition beyond the reasonable control of Landlord, including the making of necessary repairs or improvements to the Premises or to the Building, (ii) any electrical surges or spikes, or (iii) failure to make any repair or to perform any maintenance, unless such failure shall persist for an unreasonable time after notice of the need for such repair or maintenance is given to Landlord by Tenant. Landlord shall use commercially reasonable efforts to remedy any interruption in the furnishing of such services. Notwithstanding anything contained herein to the contrary, the Rent otherwise payable under this Lease shall abate in the manner described in the last sentence of this paragraph if all of the following conditions are met (the "Service Interruption Conditions"): (i) any service ceases to be furnished, and (ii) Tenant notifies Landlord in writing after such cessation or Landlord has actual knowledge of such cessation; and (iii) such cessation is not caused by Tenant; and (iv) the Premises (or a material portion thereof) is rendered untenable (meaning that Tenant acting reasonably is unable to use such space for the ordinary operation of Tenant's business, or affected portion thereof, in the normal course of its business) and Tenant in fact ceases to use such space for the operation of Tenant's business, or affected portion thereof, as a result of such cessation. On the fourth (4th) consecutive day after all of the Service Interruption Conditions have been met, the Rent payable hereunder shall thereafter be equitably abated based upon the percentage of the space in the Premises so rendered untenable and not being so used by Tenant, and such abatement shall continue until the date the Premises become fully tenantable again. Further, exclusive of any event that is described in Section 19 or 20 below, in the event the Service Interruption Conditions continue for a period of sixty (60) consecutive days due to no act or omission of the Tenant, Landlord and Tenant shall each have the right to terminate this Lease by written notice to the other party delivered at any time after the sixtieth (60th)

consecutive day, but before the date that the Service Interruption Conditions cease to exist; *provided, however*, in no event shall Landlord or Tenant be permitted to exercise any right of termination contained in this Section until, after good faith negotiations between Landlord and Tenant, Landlord and Tenant are unable to agree to a plan of repair or recovery. If neither party elects to terminate this Lease, Landlord shall use commercially reasonable efforts to complete such corrective action within the estimated time period. In no event shall Landlord have the right of termination granted in this paragraph if the Service Interruption Condition is caused by Landlord.

(e) **INTERRUPTION OF SERVICES DUE TO FLOODING.** If (i) any flooding or pooling of water or (ii) electrical power shortage or electrical power outage shall occur in any portion of the Building (a "Water/Power Event") which materially adversely impacts Tenant's ability to (i) access the Building (including any parking facilities) or the Premises or (ii) use all or any portion of the Premises for the Permitted Use (and Tenant notifies Landlord and Tenant in fact is unable to use all or a portion of the Premises for the Permitted Use), and if such material adverse impact from the Water/Power Event continues for twenty four (24) hours after Landlord is first notified of such Water/Power Event or otherwise has actual knowledge of same, all Rent payable hereunder shall thereafter be equitably abated based upon the percentage of the space in the Premises so rendered unusable by Tenant, commencing effective as of the date of the occurrence of such Water/Power Event and continuing until the Water/Power Event is remedied and the adverse impact ceases. In the event that any Water/Power Event continues for a period in excess of thirty (30) consecutive days and materially adversely impacts Tenant's ability to (i) access the Building (including any parking facilities) or the Premises or (ii) use all or any material portion of the Premises for the Permitted Use, Tenant shall have the right to terminate this Lease by written notice delivered after such thirtieth (30th) day and prior to the full remediation of the Water/Power Event and cessation of such material adverse impact; provided, however, in no event shall any abatement permitted in this Section 13 or the termination right permitted in this Section 13(e) apply if the Water/Power Event is caused by Tenant or any of Tenant's patients, employees, contractors invitees or assignees or subtenants.

(f) **GOVERNMENTAL REGULATIONS.** Any other provisions of this Section notwithstanding, if any governmental authority or utility supplier imposes any laws, controls, conditions, or other restrictions upon Landlord, Tenant, or the Building, relating to the use or conservation of energy or utilities, mandated changes in temperatures to be maintained in the Premises or the Building or the reduction of automobile or other emissions (collectively, the "Controls"), or in the event Landlord is required or elects to make alterations to the Building in order to comply with the Controls, Landlord may, in its reasonable discretion, comply and may require Tenant to comply with the Controls, and Landlord may make such alterations to the Building to the extent necessary in order to comply with the Controls. Such compliance and the making of such alterations shall not constitute an actual or constructive eviction of Tenant, impose on Landlord any liability whatsoever, or entitle Tenant to any abatement of Rent.

14. NON-LIABILITY AND INDEMNIFICATION.

(a) To the fullest extent permitted by law, Landlord shall not be liable for any injury, loss or damage suffered by Tenant or to any person or property occurring or incurred in or

about the Premises, the Building or the Property from any cause, EXCEPT FOR THOSE LIABILITIES CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY ANY SUCH LANDLORD INDEMNITEE (DEFINED BELOW). Without limiting the foregoing, neither Landlord nor any of its members, managers, partners, officers, trustees, affiliates, directors, employees, contractors, agents or representatives (collectively, "Landlord Indemnitees") shall be liable for and there shall be no abatement of Rent for (i) loss of or damage to any property by theft or any other wrongful or illegal act by a party that is not a Landlord Indemnatee, or (ii) any injury or damage to persons or property resulting from any business conducted by Tenant on the Premises or as a result of any fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Building or the Premises or from the pipes, appliances, appurtenances or plumbing works therein or from the roof, street or sub-surface or from any other place or resulting from dampness or any other cause whatsoever, to the extent resulting from the acts or omissions of other tenants, occupants or other visitors to the Building or the Premises, (iii) any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to the Building, whether within or outside of the Premises by a party that is not a Landlord Indemnatee; or (iv) any latent or other defect in the Premises, the Building or the Property (other than in connection with Landlord's Work). Tenant shall give prompt notice to Landlord in the event of (i) the occurrence of a fire or accident in the Premises, the Property or in the Building, or (ii) the discovery of a defect therein or in the fixtures or equipment thereof. This Section 14(a) shall survive the expiration or earlier termination of this Lease.

(b) Tenant hereby agrees to indemnify, protect, defend and hold harmless Landlord and Landlord Indemnitees for, from and against all liabilities, claims, fines, penalties, costs, damages or injuries to persons, damages to property, losses, liens, causes of action, suits, judgments and expenses (including court costs, reasonable attorneys' fees, reasonable expert witness fees and reasonable costs of investigation), of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (in whole or part) (i) the negligence or willful misconduct of Tenant, its employees or agents, or (ii) breach of this Lease by Tenant. Landlord hereby agrees to indemnify, protect, defend and hold harmless Tenant and Tenant Indemnitees for, from and against all liabilities, claims, fines, penalties, costs, damages or injuries to persons, damages to property, losses, liens, causes of action, suits, judgments and expenses (including court costs, reasonable attorneys' fees, reasonable expert witness fees and reasonable costs of investigation), of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (in whole or part) (i) the negligence or willful misconduct of Landlord, its employees or agents, or (ii) breach of this Lease by Landlord.

This Section 14(b) shall survive the expiration or earlier termination of this Lease.

The indemnifications provided in Section 14(b) shall not be limited to damages, compensation or benefits payable under insurance policies, workers' compensation acts, disability benefit acts or other employees' benefit acts.

15. COMMERCIAL GENERAL LIABILITY AND PROPERTY DAMAGE INSURANCE.

Tenant, at its cost, shall maintain commercial general liability insurance (including contractual liability and products and completed operations liability) with liability limits of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate, insuring against all liability of Tenant and its authorized representatives arising out of or in connection with Tenant's use and occupancy of the Premises and property damage insurance with liability limits of not less than \$500,000.

Notwithstanding anything to the contrary hereinabove contained, Tenant may, at its option, (A) include any of the insurance coverage set forth above in general or blanket policies of insurance, provided that the coverage afforded with respect to this Lease will not be reduced or diminished by reason of the use of such general or blanket policies or the claims history of any other insured property; or (B) self-insure with respect to liability insurance is conditioned upon Tenant maintaining a net worth of at least \$100,000,000.00. Tenant shall furnish Landlord written confirmation that Tenant has elected to self-insure with respect to liability insurance (if that is the case), and if so, that Tenant's net worth is at least \$100,000,000.00 as evidenced by audited financial statements of Tenant or a certificate from Tenant's chief financial officer. If Tenant self-insures with respect to liability insurance, then Tenant agrees to indemnify, defend, and hold Landlord harmless from and against any loss, damage, costs, fees (including attorneys, fees), claims, demands, actions, causes of action, judgments, suits and liability that was or would have been covered by the insurance policy or policies replaced by self-insurance and such self-insurance shall not affect the non-liability of Landlord under Section 14 as to any loss or damage described therein. The indemnification contained in this Section 15 is in addition to, and not in lieu of, any covenants or obligations of Tenant contained in the other Sections of this Lease. If Tenant so elects to become a self-insurer with respect to liability insurance, Tenant shall deliver to Landlord notice in writing of the required coverages which it is self-insuring setting forth the amount, limits, and scope of the self-insurance in respect to each type of coverage self-insured.

16. **TENANT'S PROPERTY INSURANCE.** Tenant, at its cost, shall maintain on all of Tenant's Alterations, Trade Fixtures and Personal Property in, on or about the Premises, a policy of standard All Risk property insurance, in an amount equal to at least their full replacement cost. The proceeds of any such policy shall be used by Tenant for the restoration of Tenant's Alterations and Trade Fixtures and the replacement of its Personal Property. Any portion of such proceeds not used for such restoration shall belong to Tenant.

17. **WAIVER OF SUBROGATION.** To the extent permitted by all applicable insurance policies, Landlord and Tenant release each other, and their respective authorized representatives, from any claims for damage to any person or to the Premises and the Building and to Tenant's Alterations, Trade Fixtures and Personal Property that are caused by or result from risks insured against under any insurance policies carried by the parties, in force at the time of any such damage and collectible, or which was required to be carried under the terms of this Lease, even if not actually carried. Landlord and Tenant shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by any insurance policy. Neither party shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by this Lease.

18. **OTHER INSURANCE MATTERS.** All commercial insurance maintained by Tenant under this Lease shall: (i) be issued by insurance companies authorized to do business in the State of Illinois with a rating of A/VI or better as rated in the most recent edition of Best's Insurance Reports; (ii) be issued as a primary policy; (iii) contain an endorsement endeavoring to provide thirty (30) days' prior written notice from the insurance company to both parties before cancellation or change in the coverage, scope, or amount of any policy; and (iv) will include Landlord and its designated lender, if any, as an additional insured. All insurance maintained by Tenant hereunder shall allow for commercially reasonable deductibles. Each certificate of the policy, to the extent required by the provisions hereof, shall be deposited with Landlord on or before the Commencement Date, and on renewal of the policy not less than ten (10) days before expiration of the term of the policy.

Landlord agrees to purchase and keep in force and effect throughout the Term one hundred percent (100%) replacement cost "all risk" property insurance on the Building against fire or other casualty, including, but not limited to, vandalism and malicious mischief, perils covered by extended coverage, theft, sprinkler leakage, water damage (however caused), explosion, malfunction or failure of heating and cooling or other apparatus, and other similar risks, including a demolition endorsement and increased cost of construction endorsement. Such property insurance shall provide that it is specific and non-contributory and shall contain a replacement cost endorsement. Such insurance shall also contain a clause pursuant to which the insurance carriers waive all rights of subrogation against the Tenant with respect to losses payable under such policies. Landlord shall also purchase and keep in full force and effect (without limitation of other coverages deemed prudent by Landlord) (i) commercial general liability insurance (including contractual liability insurance covering Landlord's indemnity obligations hereunder) and (ii) rent loss insurance covering a minimum of one (1) year all in commercially reasonable amounts or as otherwise required by applicable law. All insurance maintained by Landlord hereunder shall allow for commercially reasonable deductibles relative to the Building. The insurance policies maintained by Landlord hereunder shall be issued by insurers of recognized responsibility licensed to do business in the State of Illinois with a Best's rating of A/VI or better.

19. **DESTRUCTION.**

(a) **RESTORATION.** Unless this Lease is terminated under Section 19(b) below, if during the Term, the Premises or the Building are partially or totally destroyed by any casualty, Landlord shall restore the Premises or the Building to substantially the same condition as they were in immediately before such destruction, subject, however, to the requirements of the then existing laws. Except as set forth below, such destruction shall not terminate this Lease.

(b) **MAJOR DAMAGE.** If, during the Term, the Premises or the Building are partially or totally destroyed by any casualty, as soon as reasonably practicable, but in no event later than within sixty (60) days after the date of such casualty, Landlord shall cause a registered architect or engineer selected by Landlord to determine the period of time required for rebuilding and if it is determined that such rebuilding will require 270 days or more from the date of casualty to complete, then Landlord and Tenant shall each have the right to terminate this Lease by written notice given to the other party within thirty (30) days after receipt of the estimate. If

neither party elects to terminate this Lease, Landlord shall use commercially reasonable efforts to complete such restoration within the estimated time period and if Landlord fails to complete such restoration within the estimated time period, subject, however, to delays caused by Force Majeure, then Tenant may elect to terminate this Lease by written notice given to Landlord and any time prior to completion of the restoration.

(c) **EXTENT OF LANDLORD'S OBLIGATION TO RESTORE.** If Landlord is required or elects to restore the Premises as provided in this Section, Landlord shall not be required to restore alterations made by Tenant, Tenant's trade fixtures and Tenant's personal property, such excluded items being the sole responsibility of Tenant to restore.

(d) **ABATEMENT OR REDUCTION OF RENT.** In case of damage to, or destruction of, the Premises or the Building the Rent shall be abated or reduced, between the date of destruction and the date of completion of restoration, by an amount that is in the same ratio to the Rent as the total number of square feet of the Premises that are rendered unusable for the ordinary conduct of Tenant's business bears to the total number of square feet in the Premises.

20. **CONDEMNATION.** If during the Term there is any taking of part or all of the Premises or the Building by condemnation, then the rights and obligations of the parties shall be as follows:

(a) **TAKING OF PREMISES.** If there is a taking of any portion of the Premises and if the remaining portion of the Premises is of such size or configuration that Tenant is unable to conduct its business in the Premises or it would be impractical to continue to conduct business as determined in good faith by Tenant, then Tenant shall have the right to terminate this Lease upon written notice given to Landlord.

(b) **TAKING OF PART OF THE BUILDING.** If there is a taking of a part of the Building other than the Premises and if in the mutual opinion of Landlord and Tenant the Building cannot be restored in such a way that would not materially alter the use of the Premises, then each of Landlord and Tenant may terminate the Lease by giving notice to such effect to the other party within sixty (60) days after the date of vesting of title in the condemnor and this Lease shall terminate as of the date specified in such notice, which date shall not be less than sixty (60) days after the giving of such notice.

If there is a taking of more than 25% of Tenant's reserved parking spaces and Landlord does not provide alternate reserved parking spaces in the Building or other location reasonably acceptable to Tenant, then Tenant may terminate the Lease by giving notice to such affect to Landlord within sixty (60) days after the date of vesting of title in the condemnor and this Lease shall terminate as of the date specified in such notice, which date shall not be less than sixty (60) days after the giving of such notice.

(c) **AWARD.** The entire award for the Premises and the Building, shall belong to and be paid to Landlord, Tenant hereby assigning to Landlord Tenant's interest therein, if any, provided, however, that Tenant shall have the right to claim and attempt to recover from the condemnor compensation for the loss of the value of Tenant's leasehold estate, any

alterations made by Tenant, Tenant's trade fixtures, Tenant's personal property and equipment, moving expenses, loss of goodwill and business interruption.

(d) **ABATEMENT OF RENT.** If any part of the Premises is taken by condemnation and this Lease remains in full force and effect, on the date of taking the Rent shall be reduced by an amount that is in the same ratio to the Rent as the total number of square feet in the Premises taken bears to the total number of square feet in the Premises immediately before the date of taking.

21. ASSIGNMENT AND SUBLETTING.

(a) **LANDLORD'S CONSENT; DEFINITIONS.** Tenant acknowledges that the Building is a multi-tenant office building, occupied by tenants specifically selected by Landlord, and that Landlord has a legitimate interest in the type and quality of such tenants, the location of tenants in the Building and in controlling the leasing of space in the Building so that Landlord can better meet the particular needs of its tenants and protect and enhance the relative image, position and value of the Building in the medical office building market. Tenant further acknowledges that the rental value of the Premises may fluctuate during the Term in accordance with market conditions, and, as a result, the Rent paid by Tenant under this Lease at any particular time may be higher or lower than the then market rental value of the Premises. Landlord and Tenant agree, and the provisions of this Section are intended to so provide, that, if Tenant assigns its interest in this Lease or in the Premises or subleases any part or all of the Premises in accordance with the provisions of this Lease, Landlord shall be entitled to receipt of fifty percent (50%) of the excess of the amount of rent received by Tenant from any increase in the market rental value of the Premises charged to such assignee or sublessee, after first deducting the actual, out-of-pocket costs and expenses incurred in connection with an assignment or sublease. Tenant acknowledges that, if Tenant assigns this Lease or subleases any part or all of the Premises, Tenant's investment in the subject portion of the Premises (specifically including, but not limited to, tenant improvements, good will or other assets) may be lost or reduced as a result of such action. In addition, in the event of any assignment or sublease of any part or all of the Premises, Tenant acknowledges that it shall remain liable to Landlord for the payment, when due, of all Rent and all other obligations of Tenant contained in this Lease.

(b) **CONSENT REQUIRED.** Tenant shall not voluntarily assign or encumber its interest in this Lease or in the Premises, or sublease any part or all of the Premises, without Landlord's prior consent, which consent shall not be unreasonably withheld, conditioned or delayed. Such consent or denial shall be sent by written notice to Tenant within fifteen (15) business days of Landlord's receipt of the terms of such proposed assignment or sublease or Landlord will be deemed to have not accepted such sublease or assignment. If Landlord denies a proposed assignment or sublease, Landlord shall state with particularity the reasons for such denial.

The occurrence of any such assignment or subletting of the Premises or any interest in the Lease, shall not release the Tenant from its obligation to pay to the Landlord, when due, all Rent and all other obligations contained in this Lease. Upon request, Tenant will provide Landlord with a copy of any such assignment or sublease. Any assignment, encumbrance or sublease

without Landlord's consent (except as provided above) shall be voidable and, at Landlord's election, shall constitute a default by Tenant under this Lease. In determining whether to approve a proposed assignment or sublease, Landlord shall place primary emphasis on the proposed transferee's reputation and creditworthiness, the character of the business to be conducted by the proposed transferee at the Premises and the affect of such assignment or subletting on the tenant mix in the Building. In no event shall Landlord be obligated to consent to any assignment or subletting which materially increases (i) the Expenses, (ii) the burden on the Building services, or (iii) the foot traffic, elevator usage or security concerns in the Building, or creates an increased probability of the comfort and/or safety of the Landlord and other tenants in the Building being unreasonably compromised or reduced (for example, but not exclusively, Landlord may deny consent to an assignment or subletting where the space will be used for a school or training facility, an entertainment, sports or recreation facility (other than ancillary training in connection with Tenant's permitted use), retail sales to the public (other than retail offices as permitted under Section 1(j) above), a personnel or employment agency, or an embassy or consulate or similar office). Landlord shall not be obligated to approve an assignment or subletting to (x) a current tenant of the Building or (y) a prospective tenant of the Building with whom Landlord is then actively negotiating. Landlord's foregoing rights and options shall continue throughout the entire term of this Lease. No consent to any assignment, encumbrance or sublease shall constitute a waiver of the provisions of this Section and no other or subsequent assignment, encumbrance or sublease shall be made without Landlord's prior consent. Neither an assignment or subletting nor the collection of Rent by Landlord from any person other than Tenant, nor the application of any such Rent as provided in this Section shall be deemed a waiver of any of the provisions of this Section or release Tenant from its obligation to comply with the terms and provisions of this Lease and Tenant shall remain fully and primarily liable for all of Tenant's obligations under this Lease, including the obligation to pay Rent under this Lease. Notwithstanding anything contained herein to the contrary, the renewal option under Section 4(d) above may not be transferred to a subtenant, but Tenant shall retain the right to renew this Lease as provided therein.

(c) CONDITIONS TO ASSIGNMENT OR SUBLEASE. Tenant agrees that any instrument by which Tenant assigns or sublets all or any portion of the Premises shall expressly provide that the assignee or subtenant may not further assign or sublet the assigned or sublet space without Landlord's prior consent, and that the assignee or subtenant will comply with all of the provisions of this Lease as it relates to the portion of the Premises subject to the assignment or sublease, and that Landlord may enforce the Lease provisions directly against such assignee or subtenant. If this Lease is assigned, whether or not in violation of the terms and provisions of this Lease, Landlord may, upon any default under this Lease not cured within the applicable notice and cure period, collect Rent from the assignee. If the Premises, or any part thereof, are sublet, Landlord may, upon a default under this Lease not cured within the applicable notice and cure period, collect rent from the subtenant. In either event, Landlord shall apply the amount collected from the assignee or subtenant to Tenant's obligation to pay Rent under this Lease.

(d) EVENTS CONSTITUTING AN ASSIGNMENT OR SUBLEASE. For purposes of this Section, the following events shall be deemed an assignment or sublease, as appropriate: (i) the issuance of equity interests (whether stock, partnership interests or otherwise) in Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, to

any person or group of related persons, which do not as of the time of the transfer, already own an equity interest in Tenant or an entity owned or controlled by Tenant, in a single transaction or a series of related or unrelated transactions, such that, following such issuance, such person or group shall have Control (as defined below) of Tenant, or any assignee or subtenant, if applicable; or (ii) a transfer of Control of Tenant, or any assignee or subtenant, if applicable, or any entity controlling any of them, in a single transaction or a series of related or unrelated transactions (including, without limitation, by consolidation, merger, acquisition or reorganization), except that the transfer of outstanding capital stock or other listed equity interests by Persons or parties other than "insiders" within the meaning of the Securities Exchange Act of 1934, as amended, through the "over-the-counter" market or any recognized national or international securities exchange, shall not be included in determining whether Control has been transferred. "Control" shall mean direct or indirect ownership of fifty percent (50%) or more of all the legal and equitable interest in any business entity.

Notwithstanding anything to the contrary in this Section, Tenant may assign this Lease or sublet the whole or any part of the Premises without Landlord's consent but with notice to Landlord, to: (a) any entity in whom or with which Tenant may be merged or consolidated, provided that the net worth of the resulting entity is at least equal to the net worth of Tenant immediately prior to such merger or consolidation, (b) any entity to whom Tenant sells all or substantially all of its assets, or (c) any time share or space sharing agreements which, in the aggregate with any other time share or space sharing agreements, constitute less than twenty five percent (25%) of the Rentable Square Feet of the Premises; provided that such corporation or such entity described in (a), (b) or (c) above expressly assumes all of Tenant's obligation hereunder and otherwise complies with the provisions of Subsection 21(c) entitled "Conditions to Assignment or Sublease", or (d) any entity which is an Affiliate of Tenant or Tenant's parent corporation.

(e) PROCESSING EXPENSES. Tenant shall pay to Landlord the amount of Landlord's reasonable cost of processing each proposed assignment or subletting, including, without limitation, reasonable attorneys' and other reasonable professional fees (collectively, "Processing Costs"). Notwithstanding anything to the contrary herein, Landlord shall not be required to process any request for Landlord's consent to an assignment or subletting until Tenant has paid to Landlord the amount of Landlord's reasonable estimate of the Processing Costs.

(f) CONSIDERATION TO LANDLORD. In the event of any assignment or sublease of the Premises, Landlord shall be entitled to receive, as Additional Rent, one-half (1/2) of any net consideration (calculated as set forth above), including, without limitation, payment for leasehold improvements owned by Landlord, paid by the assignee or subtenant for the assignment or sublease and, in the case of sublease, one-half (1/2) of the excess of the amount of rent paid for the sublet space by the subtenant over the total amount of Base Rent under Section 5. Notwithstanding anything to the contrary, in no event shall any consideration paid in connection with sale of Tenant's business or assets or equity investments in Tenant be required to be shared with Landlord. Upon Landlord's request, Tenant shall assign to Landlord all amounts to be paid to Tenant by the assignee or subtenant and shall direct such assignee or subtenant to pay the same directly to Landlord. If there is more than one sublease under this Lease, the amounts (if any) to be paid by Tenant to Landlord pursuant to the preceding sentence shall be

separately calculated for each sublease and amounts due Landlord with regard to any one sublease may not be offset against rental and other consideration pertaining due under any other sublease.

With regard to an approved assignment or subletting, Tenant acknowledges that Landlord's agreement to deal directly with the assignee or subtenant with regard to such party's occupancy of the Premises and the administration of the Lease, without requiring Tenant to monitor or become directly involved in such matters, constitutes appropriate and acceptable consideration for the capture by Landlord of any rent or consideration paid by the assignee or subtenant in excess of that required to be paid by Tenant under the Lease.

(g) **SURVIVE EXPIRATION.** Each of the covenants and agreements of Tenant set forth in this Section 21 shall survive the expiration or earlier termination of this Lease.

(h) **DOCUMENTATION.** No permitted subletting by Tenant shall be effective until there has been delivered to Landlord a counterpart of the sublease in which the subtenant agrees to be and remain jointly and severally liable with Tenant for the payment of Rent pertaining to the sublet space and for the performance of all of the terms and provisions of this Lease which relate to the space being sublet; provided, however, that the subtenant shall be liable to Landlord for rent only in the amount set forth in the sublease. No permitted assignment shall be effective unless and until there has been delivered to Landlord a counterpart of the assignment in which the assignee assumes all of Tenant's obligations under this Lease arising on or after the date of the assignment. The failure or refusal of a subtenant or assignee to execute any such instrument shall not release or discharge the subtenant or assignee from its liability as set forth above.

(i) **NO MERGER.** Without limiting any of the provisions of this Section, if Tenant has entered into any subleases of any portion of the Premises, the voluntary or other surrender of this Lease by Tenant, or a mutual cancellation by Landlord and Tenant, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subleases or subtenancies or, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases or subtenancies.

22. **DEFAULT.** The occurrence of any of the following shall constitute a default by Tenant under this Lease:

(a) **FAILURE TO PAY RENT.** Failure to pay Base Rent when due or failure to pay any portion of Additional Rent within five (5) business days after written notice.

(b) **FAILURE TO COMPLY WITH RULES AND REGULATIONS.** Failure to comply with the Rules and Regulations, if the failure continues for a period of ten (10) days after written notice of such default is given by Landlord to Tenant.

(c) **OTHER DEFAULTS.** Failure to perform any other provision of this Lease (other than as set forth in Sections 22(a) and 22(b) above), if the failure to perform is not cured within thirty (30) days after notice of such default has been given by Landlord to Tenant. If the default cannot reasonably be cured within thirty (30) days, then Tenant shall not be in

default under this Lease if Tenant commences to cure the default within thirty (30) days and diligently and in good faith continues to cure the default.

(d) **APPOINTMENT OF TRUSTEE OR RECEIVER.** The appointment of a trustee or receiver to take possession of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days.

23. **REMEDIES.** If Tenant commits a default and does not cure such default within the notice and cure period provided in Section 22 above, Landlord shall have the following alternative remedies, which are in addition to any remedies now or later allowed by law:

(a) **MAINTAIN LEASE IN FORCE.** Maintain this Lease in full force and effect and recover the Rent and other monetary charges as they become due, without terminating Tenant's right to possession, irrespective of whether Tenant shall have abandoned the Premises. If Landlord elects to not terminate the Lease, Landlord shall have the right to attempt to re-let the Premises at such rent and upon such conditions and for such a term, and to do all acts necessary to maintain or preserve the Premises as Landlord reasonably deems necessary without being deemed to have elected to terminate the Lease including removal of all persons and property from the Premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. In the event any such re-letting occurs, this Lease shall terminate automatically upon the new tenant taking possession of the Premises. Notwithstanding that Landlord fails to elect to terminate the Lease initially, Landlord at any time during the term of this Lease may elect to terminate this Lease by virtue of such previous default of Tenant.

Landlord may, at Landlord's election, terminate Tenant's right to possession only, by appropriate judicial process, without terminating the Lease. Upon such a termination of Tenant's right to possession without termination of the Lease, Tenant shall surrender possession and vacate the Premises immediately and deliver possession of the Premises and fixtures attached thereto to Landlord, and Tenant, subject to appropriate judicial process, hereby grants to Landlord the immediate right to enter into the Premises, remove Tenant's signs and other evidences of tenancy, and take and hold possession of the Premises and fixtures with appropriate judicial process, and to dispossess the others who may be occupying the Premises, without being deemed in any manner guilty of trespass, eviction, or forcible entry or detainer, without incurring any liability for any damage resulting therefrom, without such entry and possession terminating the Lease or releasing Tenant from Tenant's obligation to pay Rent and to fulfill all other of Tenant's obligations under this Lease for the full Lease Term. Landlord shall be entitled to recover from Tenant (i) unpaid Rent or such other amounts which have been earned or are payable at the time of termination, and (ii) such amounts as are payable pursuant to the provisions hereof. Notwithstanding any remedial action taken hereunder by Landlord short of termination, including reletting the Premises to a substitute tenant, Landlord may at any time thereafter elect to terminate this Lease for any previous uncured default.

In all cases Landlord shall use commercially reasonable efforts to mitigate its damages.

(b) **TERMINATE LEASE.** Landlord may, at Landlord's election, terminate this Lease upon the delivery of written notice of such termination to Tenant. On the delivery of such notice, all Tenant's rights in the Premises and in all improvements located thereon shall terminate. Promptly after notice of termination, Tenant shall surrender and vacate the Premises in a broom clean condition, and Landlord may reenter and take possession of the Premises by appropriate judicial process and eject all parties in possession or eject some and not others or eject none. Termination under this subsection shall not relieve Tenant from the payment of any sum then due to Landlord or from any claim for damages previously accrued or then accruing against Tenant. Upon such termination Landlord shall also be entitled to recover from Tenant all actual damages incurred by Landlord by reason of Tenant's default, including, without limitation, thereto, the following: (i) The worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that is proved could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease, including, without limitation, any costs or expenses incurred by Landlord in (A) retaking possession of the Premises, including reasonable attorney fees therefor, (B) maintaining or preserving the Premises after such default, (C) preparing the Premises for reletting to a new tenant, including repairs or necessary alterations to the Premises for such reletting, (D) leasing commissions, and (E) any other costs necessary or appropriate to restore the Premises to substantially the condition which existed as of the Commencement Date; plus (v) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable state law. Upon any such re-entry Landlord shall have the right to make any reasonable repairs, alterations or modifications to the Premises, which Landlord in its sole discretion deems reasonable and necessary. As used in Subsection 23(b) the "worth at the time of award" is computed by discounting such amounts at the discount rate of eight percent (8%) per year. In no event shall Tenant be liable for any consequential, special or punitive damages. Other than as set forth above, in no event shall Landlord have any right to accelerate rent or exercise a right of lock-out or other similar self-help of dispossession.

(c) **LANDLORD'S DEFAULT AND TENANT'S REMEDIES.** Landlord shall not be deemed to be in default hereunder unless obligations required of Landlord hereunder are not performed by Landlord, or by any beneficiary under any deed of trust, mortgagee, or other lienholder with rights in all or any portion of the Property, within thirty (30) days after written notice thereof by Tenant to Landlord and to such other parties whose names and addresses are furnished to Tenant in writing, which notice specifies that there has been a failure to perform such obligations; provided, however, that if the nature of such obligations is such that more than thirty (30) days are reasonably required for their cure, Landlord shall not be deemed to be in default hereunder if Landlord or any of such other parties commences such cure within such period and thereafter diligently prosecutes such cure to completion within a reasonable time but, in no event, more than one hundred twenty (120) days after such notice. If Landlord is in default hereunder, which default is not cured during any applicable cure periods, Tenant shall have all such rights and remedies as may be afforded in this Lease or otherwise provided at law

or in equity. Without limiting the generality of the foregoing, if the default by Landlord hereunder materially and adversely affects Tenant's ability to use or occupy the Premises for the Permitted Use, Tenant shall have the right after the expiration of the dates set forth above, but not the obligation, to cure such default on Landlord's behalf, in which event Landlord shall reimburse Tenant for the reasonable, out of pocket costs and expenses incurred by tenant in effecting such a cure.

24. **BANKRUPTCY.**

(a) **ASSUMPTION OF LEASE.** If Tenant becomes a Debtor under Chapter 7 of the Bankruptcy Code ("Code") or a petition for reorganization or adjustment of debts is filed concerning Tenant under Chapters 11 or 13 of the Code, or a proceeding is filed under Chapter 7 of the Code and is transferred to Chapters 11 or 13 of the Code, the Trustee or Tenant, as Debtor and as Debtor-In-Possession, may not elect to assume this Lease unless, at the time of such assumption, the Trustee or Tenant has:

(i) Cured all defaults under the Lease and paid all sums due and owing under the Lease or provided Landlord with "Adequate Assurance" (as defined below) that: (1) within ten (10) days from the date of such assumption, the Trustee or Tenant will completely pay all sums due and owing under this Lease and compensate Landlord for any actual pecuniary loss resulting from any existing default or breach of this Lease, including, without limitation, Landlord's reasonable costs, expenses, accrued interest, and attorneys' fees incurred as a result of the default or breach; (2) within twenty (20) days from the date of such assumption, the Trustee or Tenant will cure all non-monetary defaults and breaches under this Lease, or, if the nature of such non-monetary defaults is such that more than twenty (20) days are reasonably required for such cure, that the Trustee or Tenant will commence to cure such non-monetary defaults within twenty (20) days and thereafter diligently prosecute such cure to completion; and (3) the assumption will be subject to all of the provisions of this Lease.

(ii) For purposes of this Section, Landlord and Tenant acknowledge that, in the context of a bankruptcy proceeding involving Tenant, at a minimum, "Adequate Assurance" shall mean: (i) the Trustee or Tenant has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that the Trustee or Tenant will have sufficient funds to fulfill the obligations of Tenant under this Lease; (ii) the Bankruptcy Court shall have entered an Order segregating sufficient cash payable to Landlord and/or the Trustee or Tenant shall have granted a valid and perfected first lien and security interest and for mortgage in or on property of Trustee or Tenant acceptable as to value and kind to Landlord, to secure to Landlord the obligation of the Trustee or Tenant to cure the monetary and/or non-monetary defaults and breaches under this Lease within the time periods set forth above; and (iii) the Trustee or Tenant, at the very minimum, shall deposit a sum equal to two (2) month's Base Rent to be held by Landlord (without any allowance for interest thereon) to secure Tenant's future performance under the Lease.

(b) **ASSIGNMENT OF LEASE.** If the Trustee or Tenant has assumed the Lease pursuant to the provisions of this Section for the purpose of assigning Tenant's interest

hereunder to any other person or entity, such interest may be assigned only after the Trustee, Tenant or the proposed assignee has complied with all of the terms, covenants and conditions of this Lease, including, without limitation, those with respect to Additional Rent. Landlord and Tenant acknowledge that such terms, covenants and conditions are commercially reasonable in the context of a bankruptcy proceeding of Tenant. Any person or entity to which this Lease is assigned pursuant to the provisions of the Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of such assignment. Any such assignee shall upon request execute and deliver to Landlord an instrument confirming such assignment.

(c) **ADEQUATE PROTECTION.** Upon the filing of a petition by or against Tenant under the Code, Tenant, as Debtor and as Debtor-In-Possession, and any Trustee who may be appointed agree to adequately protect Landlord as follows: (i) to perform each and every obligation of Tenant under this Lease until such time as this Lease is either rejected or assumed by Order of the Bankruptcy Court, (ii) to pay all monetary obligations required under this Lease, including without limitation, the payment of Base Rent, Taxes, Expenses and any other sums payable by Tenant to Landlord under this Lease which is considered reasonable compensation for the use and occupancy of the Premises; (iii) provide Landlord a minimum of thirty (30) days prior written notice, unless a shorter period is agreed to in writing by the parties, of any proceeding relating to any assumption of this Lease or any intent to abandon the Premises, which abandonment shall be deemed a rejection of this Lease; and (iv) to perform to the benefit of Landlord as otherwise required under the Code. The failure of Tenant to comply with the above shall result in an automatic rejection of this Lease.

25. **LIMITATION ON LANDLORD'S LIABILITY.** Anything in this Lease to the contrary notwithstanding, covenants, undertakings and agreements herein made on the part of Landlord are made and intended not as personal covenants, undertakings and agreements or for the purpose of binding Landlord personally or the assets of Landlord except Landlord's interest in the Property, including all rents, issues and profits therefrom, and all sales and financing proceeds therefrom, but are made and intended for the purpose of binding only the Landlord's interest in the Property. No personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforceable against Landlord or its partners and their respective heirs, legal representatives, successors and assigns on account of this Lease or on account of any covenant, undertaking or agreement of Landlord contained in this Lease.

26. **SIGNAGE.** Tenant shall not have the right to place, construct or maintain any sign, advertisement, awning, banner or other exterior decoration without Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed. Any sign that Tenant has Landlord's consent to place, construct and maintain shall comply with all laws, and Tenant shall obtain any approval required by such laws. Landlord makes no representation with respect to Tenant's ability to obtain such approvals, but Landlord agrees to cooperate in good faith with Tenant in Tenant's obtaining in the required approvals.

Landlord hereby consents to the location of Tenant's signage on the exterior of the Building and at the Building entrance, adjacent to patient drop-off and the parking lot as set forth

in Exhibit B attached hereto, and Landlord hereby consents to Tenant's signage shown on such Exhibit B.

In addition, Tenant shall have the right to place its identifying signage on each floor on which the Premises are located and on the entrance to the doors of the Premises on each floor.

All Tenant signage (including its installation costs and power requirements) shall be at Tenant's cost. Installation and maintenance of way-finding signage shall be Landlord's responsibility.

27. **LANDLORD'S RIGHT TO ENTER THE PREMISES.** Landlord and its authorized representatives shall have the right to enter the Premises at reasonable times and upon reasonable prior notice (except in an emergency when no such notice shall be required) for any of the following purposes: (i) to determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease, (ii) to do any maintenance; to make any restoration to the Premises or the Building that Landlord has the right or the obligation under this Lease to perform, and to make any improvements to the Premises or the Building that Landlord reasonably deems necessary, (iii) to serve, post or keep posted any notices required or allowed under the provisions of this Lease, (iv) to post any ordinary "For Sale" signs at any time during the Term and to post any ordinary "For Lease" signs during the last one hundred eighty (180) days of the Term, and (v) to show the Premises to prospective brokers, agents, purchasers, tenants (only during the last six (6) months of the Term as to prospective tenants) or lenders, at any time during the Term.

Landlord shall not be liable in any manner for any inconvenience, annoyance, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Section, except damage resulting from the negligent or willful acts of Landlord or its authorized representatives. Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any right reserved in this Section, except as may be otherwise set forth in this Lease. Landlord shall conduct its activities on the Premises as allowed in this Section in a reasonable manner so as to cause minimal inconvenience, annoyance or disturbance to Tenant. Landlord shall provide Tenant with prior written notice of any such entry into the Premises (but in the event of an emergency, Landlord shall only be required to provide such notice as is practicable under the circumstances). Tenant shall have the right to reasonably designate certain secured areas of the Premises which Landlord may not enter without the prior written consent of Tenant (but in the event of an emergency, Landlord shall only be required to provide such notice as is practicable under the circumstances), and Tenant shall have the right to accompany Landlord during any entry by Landlord.

28. **RIGHT TO ESTOPPEL CERTIFICATES.** Tenant, within ten (10) business days after notice from Landlord, shall execute and deliver to Landlord, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified and stating the modifications. The certificate shall also state the amount of Base Rent, the dates to which Rent has been paid in advance, and such other factual matters as Landlord may reasonably request. Failure to deliver the certificate within such ten (10) business day period shall be conclusive upon Tenant for the benefit of Landlord and any

successor to Landlord, that this Lease is in full force and effect and has not been modified except as may be represented by Landlord requesting the certificate.

29. **TRANSFER OF LANDLORD'S INTEREST.** If Landlord sells or transfers the Property, Landlord, on consummation of the sale or transfer, shall be released from any liability thereafter accruing under this Lease if Landlord's successor has assumed in writing, for the benefit of Tenant, Landlord's obligations under this Lease. If any security deposit or prepaid rent has been paid by Tenant, Landlord shall transfer such security deposit or prepaid rent to Landlord's successor and on such transfer Landlord shall be discharged from any further liability with respect to such security deposit or prepaid rent.

30. **ATTORNEYS' FEES.** If either party shall bring any action for relief against the other party, declaratory or otherwise, arising out of this Lease, including any action by Landlord for the recovery of Rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorneys' fees which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

31. **SURRENDER; HOLDING OVER.**

(a) **SURRENDER.** On expiration or ten (10) days after termination of the Term, Tenant shall surrender the Premises and all Tenant's improvements and alterations to Landlord broom clean and in good condition, with ordinary wear and tear, damage by casualty and repair required to be made by Landlord excepted. Tenant shall remove all of its trade fixtures and personal property within the time period stated in this Section. Tenant, at its cost, shall repair any damage to the Premises caused by the removal of its trade fixtures, personal property and signs to Landlord's reasonable satisfaction within the time period stated in this Section. Landlord may, at its election, retain or dispose of in any manner any of Tenant's trade fixtures or personal property that Tenant does not remove from the Premises on expiration or within ten (10) days after termination of the Term as allowed or required by the provisions of this Lease by giving ten (10) days' notice to Tenant. Title to any such trade fixtures and personal property that Landlord elects to retain or dispose of on expiration of such ten (10) day period shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such trade fixtures and personal property. Tenant shall be liable to Landlord for Landlord's reasonable, out-of-pocket costs for storing, removing and disposing of Tenant's trade fixtures and personal property. If Tenant fails to surrender the Premises to Landlord on expiration or ten (10) days after termination of the Term as required by this Section, Tenant shall pay Landlord Rent in an amount equal to one and one-half (1-1/2) times the Rent applicable for the month immediately prior to the expiration or termination of the Term for the entire time Tenant thus remains in possession and Tenant shall hold Landlord harmless from all actual damages directly resulting from Tenant's failure to timely surrender the Premises, including, without limitation, (i) any Rent payable by, or any damages claimed by, any prospective tenant of any part or all of the Premises, and (ii) Landlord's actual damages directly resulting from such prospective tenant rescinding or refusing to enter into the prospective lease of part or all of the Premises by reason of Tenant's failure to timely surrender the Premises, provided that Landlord has given Tenant prior written notice of such prospective

tenant. If Tenant, without Landlord's prior consent, remains in possession of the Premises after expiration or termination of the Term, or after the date in any notice given by Landlord to Tenant terminating this Lease, such possession by Tenant shall be deemed to be a tenancy at sufferance terminable at any time by either party.

(b) **HOLDING OVER.** If Tenant retains possession of the Premises after the termination or expiration of the Term, unless otherwise agreed in writing, such possession shall be subject to immediate termination by Landlord at any time, and all of the other terms and provisions of this Lease (excluding any renewal option) shall be applicable during such holdover period, except that after three (3) months after such termination or expiration, Tenant shall pay Landlord from time to time, upon demand, as Rent for the holdover period, an amount equal to one hundred fifty percent (150%) of the Rent in effect on the termination date, computed on a monthly basis for each month or part thereof during such holding over. Tenant shall hold Landlord harmless from all actual damages directly resulting from Tenant's failure to timely surrender the Premises, including without limitation, (i) any rent payable by, or any damages claimed by, any prospective tenant of any part or all of the Premises, and (ii) Landlord's actual damages directly resulting from such prospective tenant rescinding or refusing to enter into the prospective lease of part or all of the Premises by reason of Tenant's failure to timely surrender the Premises, provided that Landlord has given Tenant prior written notice of any such prospective tenant. All other payments shall continue under the terms of this Lease. No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section shall not be construed as consent for Tenant to retain possession of the Premises.

32. **RIGHT OF FIRST OFFER** Commencing nine months after the Effective Date and continuing for so long as Tenant remains a tenant in the Building, is not in default under any of the terms and conditions of this Lease beyond any applicable notice and cure period and has not assigned this Lease or subleased 20% or more of the Premises, other than assignments or subleases to Affiliates, Landlord hereby grants to Tenant and Tenant shall have the option to lease, upon the terms and conditions hereinafter set forth, the space located on the third (3rd) floor of the Building. Landlord shall provide notice to Tenant of available rentable space adjacent to the Premises. Within ten (10) days of receipt of such notice Tenant shall provide a response to Landlord indicated its interest or non-interest in renting the additional space. In the event that Tenant indicates that it is interested in renting the additional space, Landlord and Tenant shall diligently enter into good faith negotiations relating thereto. Effective as of the date of rent commencement for such space, such portion of the Building shall be included in the definition of Premises, subject to all of the terms, conditions and provisions of the Lease, except as may otherwise be otherwise agreed to by the parties.

The parties acknowledge that the right of first offer hereunder is not granted to any assignee of this Lease or subtenant, other than an Affiliate.

33. **AGENCY DISCLOSURE; BROKER.**

(a) **AGENCY DISCLOSURE.** CBRE, Inc. hereby discloses that it represents the Tenant in this transaction and MedProperties, LLC hereby discloses that it represents the Landlord in this transaction.

(b) **BROKER.** Landlord and Tenant each represent to the other that neither is represented by any broker, agent or finder with respect to this Lease in any manner, except the Brokers set forth in Section (a) above. The commissions due to the Brokers shall be paid by Landlord pursuant to a separate agreement. Each party agrees to indemnify and hold the other party harmless from and against any and all liability, costs, damages, causes of action or other proceedings instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in any manner whatsoever in connection with this Lease.

34. **DEFINITIONS.** As used in this Lease, the following words and phrases, whether or not capitalized, shall have the following meanings:

(a) "Additional Rent" means the Rent Adjustments due and payable under this Lease and any and all other obligations to pay any amount due under this Lease.

(b) "Affiliate" means any Person which directly or indirectly controls, is controlled by, or is under common control with Tenant.

(c) "Alteration" means any addition or change to, or modification of, the Premises made by Tenant, including, without limitation, fixtures, but excluding trade fixtures as defined in this Section.

(d) "Authorized representatives" means any officer, agent, employee, independent contractor or invitee of either party.

(e) "Award" means all compensation, sums or anything of value awarded, paid or received on a total or partial condemnation.

(f) "Base Expenses" mean the Expenses for the calendar year 2016.

(g) "Base Taxes" mean the Taxes for the calendar year 2016.

(h) "Broker(s)" means CBRE, Inc. representing the Tenant and MedProperties, LLC representing the Landlord.

(i) "Calendar Year" shall mean each calendar year or a portion thereof during the Term.

(j) "Common Areas" means all areas outside the Premises and within the Building or on the Property that are provided and designated by Landlord from time to time for the general, non-exclusive use of Landlord, Tenant and other tenants of the Building and their authorized representatives, including without limitation, common entrances, lobbies, corridors, stairways and stairwells, elevators, escalators, public restrooms and other public portions of the Building.

(k) "Condemnation" means the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemnor and a voluntary sale or transfer by Landlord

to any condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(l) "Condemnor" means any public or quasi-public authority or entity having the power of condemnation.

(m) "Controllable Operating Expenses" mean all Expenses except for the cost of ice and snow removal, utility charges, office park association assessments, insurance, union labor costs and benefits and any other costs solely attributable to use of the Premises as contemplated by this Lease.

(n) "Damage" means any injury, deterioration, or loss to a person, property, the Premises or the Building caused by another person's acts or omissions or by Acts of God. Damage includes death.

(o) "Damages" means a monetary compensation or indemnity that can be recovered in the courts by any person who has suffered damage to his person, property or rights through another's acts or omissions.

(p) "Date of taking" means the date the condemnor has the right to possession of the property being condemned.

(q) "Encumbrance" means any mortgage, deed of trust or other written security device or agreement affecting the Premises, and the note or other obligation secured by it that constitutes security for the payment of a debt or performance of an obligation.

(r) "Expenses" shall mean and include all expenses, costs, fees and disbursements paid or incurred by or on behalf of the Landlord for owning, managing, operating, maintaining and repairing the Building and the personal property used in conjunction therewith (said Building and personal property being herein collectively called the "Building"), including (without limitation) the cost of electricity, steam, water, sewer, gas, fuel, heating, lighting, air conditioning, window cleaning, janitorial services to the Common Areas, insurance, including, but not limited to, fire, extended coverage, liability, workmen's compensation, elevator, or any other insurance carried by the Landlord and applicable to the Building, painting, uniforms, management fees (not to exceed five percent (5%) of gross rents), supplies, sundries, sales or use taxes on supplies or services, cost of wages and salaries of all persons engaged in the operation, administration, maintenance and repair of the Building, and customary fringe benefits at or below the level of on-site Building manager, including social security taxes, unemployment insurance taxes, cost for providing coverage for disability benefits, cost of any pensions, hospitalization, welfare or retirement plans, or any other similar or like expenses incurred under the provisions of any collective bargaining agreement, or any other cost or expense which Landlord pays or incurs to provide benefits for employees so engaged in the operation, administration, maintenance and repair of the Building, the charges of any independent contractor who, under contract with the Landlord or its representatives, does any of the work of operating, maintaining or repairing of the Building, legal and accounting expenses, or any other expense or charge, whether or not hereinbefore mentioned, which in accordance with generally accepted accounting or management principles would be considered as an expense of owning,

managing, operating, maintaining or repairing the Building. "Expenses" shall not include costs or other items included within the meaning of the term "Taxes" (as hereinafter defined), costs of alterations of the premises of other tenants of the Building, costs of capital improvements to the Building, depreciation charges, interest and principal payments on mortgages, ground rental payments, and real estate brokerage and leasing commissions, except as hereinafter otherwise provided.

Notwithstanding anything contained in this Section 34(r) to the contrary, the cost of any capital improvements to the Building made six (6) months or more after the Commencement Date of this Lease which are intended to reduce Expenses or which are required under any governmental Laws, regulations, insurance requirements or ordinances which were first enacted after the Commencement Date, amortized over the useful life of such improvements (as Landlord shall reasonably determine), together with interest on the unamortized cost of any such improvement (at the prime rate quoted in the money rates column of the Wall Street Journal on the date the cost of such improvement was incurred) shall be included in Expenses.

If the aggregate space in the Building is less than one hundred percent (100%) occupied by tenants during all or a portion of any Calendar Year, then Landlord shall make an appropriate adjustment for such year of those components of Expenses which may vary depending upon the occupancy level of the Building so that all of such variable components of Expenses paid or incurred by Landlord and included in Expenses for such year, are ratably allocated to the tenants then occupying space in the Building. Any such adjustments shall also be deemed expenses paid or incurred by Landlord and included in Expenses for such year, as if the Building had been fully occupied and the Landlord had paid or incurred such expenses. If Landlord does not furnish during any Calendar Year any particular work or service (the cost of which, if performed by Landlord, would constitute an Expense) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Expenses shall be deemed to be increased by an amount equal to the additional expense which would reasonably have been incurred during such Calendar Year by Landlord if it had, at its own expense, furnished such work or service to such tenant.

Notwithstanding anything contained herein to the contrary, Expenses shall not include the following:

- (i) interest and principal payments on mortgage debt;
- (ii) ground rental payments;
- (iii) the cost of capital improvements;
- (iv) the costs of painting or decorating other than common areas, the costs of alterations to the premises or the premises of other tenants of the building, or the cost of any work furnished by Landlord without charge as an inducement for a tenant to lease space (i.e., free rent, improvement allowances);
- (v) a property management fee in excess of 5% of the gross rental proceeds;

- (vi) depreciation of the Building;
- (vii) expenses, including rent, associated with maintaining a leasing or marketing office;
- (viii) salaries and other compensation of executive officers of the Landlord or property manager senior to the individual Building manager;
- (ix) income or franchise taxes or other such taxes imposed or measured by the income of Landlord from the operation of the Building;
- (x) the cost of constructing, installing, operating or maintaining any special service or facility such as an observatory, broadcasting facility, luncheon club, athletic or recreational club, cafeteria or dining facility;
- (xi) the costs associated with utilities, services or amenities not available to all tenants or provided to any tenant to a materially greater extent or more favorable manner than generally provided to other tenants;
- (xii) the costs of correcting latent defects and defects in construction or renovation of the Building or its systems;
- (xiii) the costs (including fines and penalties) to comply with laws such as ADA and environmental laws including, without limitation, laws relating to the phase-out of so-called "Freon" as a coolant;
- (xiv) the cost of any work performed or service provided for which fees are charged or other compensation received;
- (xv) payments for rental items, the cost of which would constitute a capital expenditure if such equipment were purchased, however those items rented on a temporary basis to maintain building operations shall be considered operating expenses;
- (xvi) legal expenses incurred in connection with tenant leases including, without limitation, negotiations with prospective tenants and enforcing provisions of this lease or other leases in the Building, and legal expenses incurred in connection with a breach or default by Landlord under any contract or agreement to which Landlord is a party or any violation of any law, ordinance or code by Landlord or the Building;
- (xvii) costs for sculptures, paintings and other objects of art located in the interior or on the exterior of the Building or immediately adjacent thereto;
- (xviii) any fees and expenses paid to an agent which is related to Landlord to the extent such fees or expenses are in excess of the customary market amounts which would be paid in the absence of such a relationship;

- (xix) expenditures for repairs or maintenance which are covered by warranties, guarantees or service contracts;
- (xx) any expenditure for which the Landlord has been reimbursed by third parties such as insurance companies or would have been compensated through proceeds of insurance had the Landlord maintained insurance customarily carried by similar lessors;
- (xxi) the cost of any repairs, alterations, additions, changes, tools, equipment replacements and the like which under generally accepted accounting principles and practices are properly classified as capital expenditures;
- (xxii) advertising, promotional and marketing expenses;
- (xxiii) real estate brokerage and leasing commissions;
- (xxiv) expenses in connection with repairs or other work occasioned by the exercise of the right of eminent domain or resulting from a casualty such as fire or flood;
- (xxv) damages incurred due to the negligence or willful misconduct of Landlord or Landlord's agents, employees or contractors;
- (xxvi) debt costs or the costs of financing or refinancing;
- (xxvii) the costs, fines or penalties incurred due to violations by Landlord of any governmental rule or authority;
- (xxviii) expenses incurred by Landlord, if any, in connection with the operation, cleaning, repair, safety, management, security, maintenance or other services of any kind provided to any portions of the Building which are leased or designed to be used for retail or storage purposes;
- (xxix) any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord;
- (xxx) Landlord's general overhead not related to management of the Building;
- (xxxi) contributions to operating expense reserves; and
- (xxxii) bad debt loss, rent loss or reserves for bad debt or rent loss.

(s) "Expiration" means the coming to an end of the time specified in the Lease as its duration, including any extension of the Term.

(t) "Force Majeure" means strikes, lockouts, labor disputes (whether legal or illegal), shortages of labor or materials, civil disorder, failure of power, restrictive governmental laws or regulations, riots, insurrections, war, fuel shortage, accidents, casualties, acts of God,

acts of terrorism, violent weather, fire or other casualty or any other cause beyond the reasonable control of a party. The lack of adequate funds shall not be deemed Force Majeure.

(u) "Good condition" means the good physical condition of the Premises and each portion of the Premises, including, without limitation, all of the Tenant Improvements, Tenant's alterations, Tenant's trade fixtures, Tenant's Personal Property, all as defined In this Section, signs, walls, interior partitions, windows, window coverings, glass, doors, carpeting and resilient flooring, ceiling files, plumbing fixtures and lighting fixtures, all of which shall be in conformity with building standard finishes, ordinary wear and tear, damage by fire or other casualty and taking by condemnation excepted.

(v) "Impositions" means, collectively, (i) assessments (including, without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term); (ii) water, sewer or other rents and charges, excises, levies, and fees (including, without limitation, license, permit, inspection, authorization and similar fees); (iii) to the extent they may become a lien on the Premises all taxes imposed on Tenant's operations of the Premises including, without limitation, employee withholding taxes, income taxes and intangible taxes; and (iv) all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Premises or any part thereof and/or the Rent (including all interest and penalties thereon due to any failure in payment by Tenant), which at any time prior to, during or in respect of the Term hereof may be assessed or imposed on or in respect of or be a lien upon (a) Landlord or Landlord's interest in the Premises or any part thereof; (b) the Premises or any part thereof or any rent therefrom or any estate, right, title or interest therein; or (c) any occupancy, operation, use or possession of, or sales from, or activity conducted on, or in connection with the Premises or the leasing or use of the Premises or any part thereof.

(w) "Lien" means a charge imposed on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act.

(x) "Maintenance" means repairs, repainting and cleaning.

(y) "Parties" means Landlord and Tenant.

(z) "Party" means Landlord or Tenant.

(aa) "Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity or party.

(bb) "Provision" means any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the Lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

(cc) "Rent" means Base Rent, as adjusted from time to time under this Lease, Additional Rent, utilities and other amounts required to be paid by Tenant to Landlord hereunder.

(dd) "Rent Adjustments" shall mean all amounts owed by Tenant as Additional Rent pursuant to Subsection 6.

(ee) "Rentable Area of the Building" shall mean the sum of the areas on all floors of the Building computed by measuring the inside face of the exterior glass or finished column or exterior wall of the Building on each entire floor, plus mechanical space, common service areas available for use by all tenants in the Building, reception and lobby areas, vending machine and commissary areas and loading docks and excluding only public stairs, elevator shafts, flues, stacks, pipe shafts and vertical ducts measured from the outside wall surface of such spaces ("vertical penetrations"). No deduction shall be made for columns or projections necessary to the Building,

(ff) "Rentable Square Feet of Space" as to the Premises or the Building, as the case may be, means the number of usable square feet of space times the applicable R/U Ratio(s) as defined in this Section.

(gg) "R/U Ratio" means the rentable area of a floor of the Building divided by the usable area of such floor, both of which shall be computed in accordance with American National Standard Z65.1-2010 Method A Standard of Measuring Floor Space in Office Buildings as published by the Building Owners and Managers Association:

(hh) "Special Permits" means permits, licenses, reviews or approvals required for Tenant to operate its business in accordance with the Permitted Uses by any governmental agency, department or regulator, including, but not limited to, the Illinois Department of Public Health or any State of Illinois nursing review requirements.

(ii) "Taxes" shall mean real estate taxes, assessments, sewer rents, rates and charges, transit taxes, taxes based upon the receipt of rent, and any other federal, state or local governmental charge, general, special, ordinary or extraordinary (but not including general income or franchise taxes or any other local, state or federal taxes imposed upon or measured by income or profits or any capital levy, estate, inheritance or business taxes, which may now or hereafter be levied or assessed against the Building, any renovation, rehabilitation or improvement thereof, or any portion thereof for any Calendar Year during the Term. In case of special Taxes or assessments which may be payable in installments, only the amount of each installment paid during a Calendar Year shall be included in Taxes for such Calendar Year. Except as provided in the preceding sentence, all references to Taxes "for" a particular year shall be deemed to refer to taxes levied, assessed or otherwise imposed for such year without regard to when such taxes are payable. Taxes shall also include any personal property taxes (attributable to the year in which paid) imposed upon the furniture, fixtures, machinery, equipment, apparatus, systems and appurtenances used in connection with the operation of the Building. Taxes also include the Landlord's reasonable costs and expenses (including reasonable attorney's fees) in contesting or attempting to reduce any Taxes provided such attorney's fees are contingent upon a reduction in Taxes or if not contingent upon a reduction in Taxes, then such attorney's fees shall be limited to the extent of actual savings achieved. Landlord shall retain tax counsel during the Term hereof for the purpose of obtaining and maintaining the most reasonably attainable real estate tax upon the Building, who shall have the authority to present complaints, briefs and supporting data, including appraisals, before the appropriate agencies having jurisdiction over

the assessment and levy of the real estate taxes affecting the Premises. The fees and costs paid by Landlord for such services shall be based upon reasonable rates and shall be included in Taxes provided such attorney's fees are contingent upon a reduction in Taxes or if not contingent upon a reduction in Taxes, then such attorney's fees shall be limited to the extent of actual savings achieved. Notwithstanding anything contained in this clause (v) of Subsection 6(e) to the contrary, if at any time the method of taxation then prevailing shall be altered so that any new or additional tax, assessment, levy, imposition or charge or any part thereof shall be imposed upon Landlord in place or partly in place of any such Taxes, or contemplated increase therein or in addition to any such Taxes, and shall be measured by or be based in whole or in part upon the Building or the rents or other income therefrom, then all such new taxes, assessments, levies, impositions or charges or part thereof, to the extent that they are so measured or based, shall be included in Taxes levied, imposed or assessed against the Building to the extent that such items would be payable if the Building were the only property of Landlord subject thereto and the income received by Landlord from the Building were the only income of Landlord.

(jj) "Tenant Improvements" means (i) the improvements and alterations set forth in Exhibit C, (ii) window coverings, lighting fixtures, plumbing fixtures, cabinetry and other fixtures installed by either Landlord or Tenant at any time during the Term, and (iii) any improvements and alterations of the Premises made for Tenant by Landlord at any time during the Term.

(kk) "Tenant's Proportionate Share" shall mean the percentage obtained by dividing the Rentable Square Feet of Space as to the Premises by the Rentable Area of the Building.

35. MISCELLANEOUS PROVISIONS.

(a) ENTIRE AGREEMENT. This Lease sets forth the entire agreement of the parties as to the subject matter hereof and supersedes all prior discussions and understandings between them. This Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized officer or representative of each party hereto.

(b) GOVERNING LAW. This Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.

(c) SEVERABILITY. Should any of the provisions of this Lease be found to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision shall be stricken and the remainder of this Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the parties.

(d) JURISDICTION. In the event any action is brought to enforce any of the provisions of this Lease, the parties agree to be subject to exclusive jurisdiction in the Circuit Court of DuPage or Cook County, State of Illinois or in the United States District Court for the Northern District of Illinois and agree that in any such action venue shall lie exclusively in DuPage County or Cook County, Illinois or in a Federal District Court in Chicago, Illinois.

(e) WAIVER. No waiver of any right under this Lease shall be effective unless contained in a writing signed by a duly authorized officer or representative of the party

sought to be charged with the waiver and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Lease.

(f) CAPTIONS. Section captions contained in this Lease are included for convenience only and form no part of the agreement between the parties.

(g) NOTICES. All notices or requests required or permitted under this Lease shall be in writing. If given by Landlord such notices or requests may be personally delivered or sent by certified mail, return receipt requested, postage prepaid. If given by Tenant such notices or requests may be personally delivered or sent by certified mail, return receipt requested, postage prepaid. Such notices or requests shall be deemed given when so delivered or mailed, irrespective of whether such notice or request is actually received by the addressee. All notices or requests to Landlord shall be sent to Landlord at Landlord's Address for Notice and all notices or requests to Tenant shall be sent to Tenant at Tenant's Address for Notice. Either party may change the address to which notices shall be sent by notice to the other party.

(h) BINDING EFFECT. Subject to the provisions of Section 21 captioned "Assignment and Subletting", this Lease shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. No permitted assignment of this Lease or Tenant's rights hereunder shall be effective against Landlord unless and until an executed counterpart of the instrument of assignment shall have been delivered to Landlord and Landlord shall have been furnished with the name and address of the assignee. The term "Tenant" shall be deemed to include the assignee under any such permitted assignment.

(i) EFFECTIVENESS. This Lease shall not be binding or effective until properly executed and delivered by Landlord and Tenant.

(j) GENDER AND NUMBER. As used in this Lease, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, the neuter shall include the masculine and feminine, the singular shall include the plural and the plural shall include the singular, as the context may require.

(k) TIME OF THE ESSENCE. Time is of the essence in the performance of all covenants and conditions in this Lease for which time is a factor.

(l) NON-DISTURBANCE. As a condition to Tenant's obligations under this Lease, Landlord shall provide Tenant with non-disturbance agreements from any present or future mortgagee or other holder of superior interest in the Property in a form reasonably acceptable to such mortgagee or other holder and the Parties hereto.

(m) AMERICANS WITH DISABILITIES ACT. The Building and parking areas shall be constructed in compliance with all applicable local, state and federal statutes and codes as part of Landlord's Work requirements; including requirements pursuant to the Americans with Disabilities Act for entrances, elevators, toilet rooms, signage, light strobes and voice enunciators.

(n) MEMORANDUM OF LEASE. Landlord and Tenant agree to execute a memorandum of this Lease at the request of either of them which sets forth the term and identifies the Premises, the various rights granted to Tenant hereunder and such other matters as either party may reasonably request, but not including the rent or other economic terms of this Lease. Either Tenant or Landlord may record such document with the Office of the Recorder of Deeds of DuPage County, Illinois.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the Date of this Lease.

"LANDLORD"

SALT CREEK CAMPUS LLC

By: Paul Kucinski
Name: Paul Kucinski
Its: Manager MANAGER

"TENANT"

HINSDALE SURGICAL CENTER, LLC

By: _____
Name: _____
Its: _____

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the Date of this Lease.

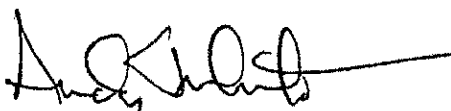
"LANDLORD"

SALT CREEK CAMPUS LLC

By: _____
Name: _____
Its: Manager

"TENANT"

HINSDALE SURGICAL CENTER, LLC

By: 
Name: Andy Johnston
Its: Vice President

FIRST AMENDMENT TO OFFICE LEASE

THIS FIRST AMENDMENT TO OFFICE LEASE ("Amendment") is made as of the 23rd day of July 2015, by and between SALT CREEK CAMPUS LLC, a Delaware limited liability company ("Landlord"), and HINSDALE SURGICAL CENTER, LLC, an Illinois limited liability company ("Tenant"), who agree as follows:

WITNESSETH:

A. Landlord and Tenant entered into a certain Office Lease dated November 14, 2014 (the "Lease"), whereby Landlord leased to Tenant the Premises (as defined in the Lease).

B. Landlord and Tenant now desire to amend the Lease and modify certain provisions as set forth herein but not otherwise.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Definitions. Each capitalized term used in this Amendment shall have the same meaning as is ascribed to such capitalized term in the Lease, unless otherwise provided for herein.

2. Modification of Lease.

A. Section 1 of the Lease, specifically the definition of "Premises" is hereby deleted in its entirety and the following is substituted in lieu thereof:

"Premises" means approximately 17,052 Rentable Square Feet of Space on the second floor of the Building as depicted on Exhibit B (attached hereto), which is subject to final plans for Landlord's Work (as defined in the Lease) developed in accordance with Exhibit C (attached hereto) and subject to final re-measurement pursuant to Building Owners and Managers Association ("BOMA") ANSI/BOMA Z65.1-2010 Method A Standard. Once finally determined, the Rentable Square Feet of Space in the Premises and in the Building will be confirmed in the Commencement Date Agreement in the form attached to the Lease as Exhibit E.

B. Section 12(a) of the Lease is hereby deleted in its entirety and the following is substituted in lieu thereof:

12 (a) TENANT IMPROVEMENT ALLOWANCE. Provided that Tenant is not in default of this Lease beyond any applicable cure period, Landlord shall provide for the payment (as set forth in the Work Letter Agreement attached hereto as Exhibit C) of an amount equal to the sum of \$208.58 per rentable square foot of the Premises, which is estimated to be 17,052 Rentable Square Feet of Space (hereinafter referred to as the "Tenant Improvement Allowance") in accordance with budget attached hereto as the same may be amended by agreement of the parties from time to time. Except as may be otherwise provided in the Work Letter Agreement attached hereto as Exhibit C, the

Tenant Improvement Allowance shall be utilized solely for (i) hard and soft construction costs directly related to the construction within the Premises (excluding all furniture, fixtures or personal property of any kind), as more fully described in the Work Letter Agreement and (ii) reimbursement to Tenant of the termination penalty relating to the early termination of the 908 N. Elm Lease in an amount not to exceed \$519,584.90 (the "Termination Penalty"). For the avoidance of doubt, the Tenant Improvement Allowance shall be applied first, for the costs actually incurred by Landlord in (i) above and, second, any remaining amount shall be applied to (ii) above. Landlord shall not be required to reimburse Tenant for any portion of the Termination Penalty paid to the 908 N. Elm landlord until receipt from Tenant of the first month of Rent due pursuant to this Lease. The remaining portion of the Tenant Improvement Allowance shall be advanced by Landlord as set forth in the Work Letter Agreement attached hereto as Exhibit C.

C. Exhibit B of the Lease is hereby supplemented by the addition of page 6 to Exhibit B attached hereto and made a part hereof.

D. Exhibit C of the Lease is hereby deleted in its entirety and replaced with the Exhibit C attached hereto and made a part hereof.

3. **Submission.** Submission of this Amendment by Landlord to Tenant for examination and/or execution shall not in any manner bind Landlord and no obligations on Landlord shall arise under this Amendment unless and until this Amendment is fully signed and delivered by Landlord and Tenant.

4. **Binding Effect; Conflict.** The Lease, as amended hereby, shall continue in full force and effect, subject to the terms and provisions thereof and hereof. In the event of any conflict between the terms of the Lease and the terms of this Amendment, the terms of this Amendment shall control. This Amendment shall be binding upon and inure to the benefit of Landlord, Tenant and their respective successors and permitted assigns.

5. **Limitation of Liability.** Landlord's liability under the Lease shall be limited as set forth in Section 25 of the Lease.

6. **Affirmation of Lease.** Except to the extent amended or modified by this Amendment, Landlord and Tenant affirm that all other terms, conditions and provisions of the Lease are, and shall remain, in full force and effect and are hereby ratified and confirmed, and Landlord and Tenant both certify that all obligations of Landlord and Tenant under the Lease as of this date have been fully performed and complied with by Landlord and Tenant.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment is executed as of the day and year
aforesaid.

"LANDLORD"

SALT CREEK CAMPUS LLC

By: Paul Kopecki
Name: PAUL KOPECKI
Its: Authorized Representative

"TENANT"

HINSDALE SURGICAL CENTER, LLC

By: William Garrison
Name: William Garrison
Its: VP-14581

Kara, this brief note is to confirm the Hinsdale Surgical Center assigned address is 10 Salt Creek Lane, Hinsdale, Illinois. This address is located in the same building as 12 Salt Creek Lane, however, it indicates Hinsdale Surgical Center's exclusive entrance to the building.

Paul A. Kopecki

Partner and Chief Operating Officer; Managing Broker, MedProperties, LLC

Address 40 Skokie Boulevard, Suite 410, Northbrook, IL 60062-1696

Direct 847-897-7305 **Fax** 847-897-7333 **Mobile** 312-952-1106

E-Mail pkopecki@medpropertiesgroup.com **Web** www.medpropertiesgroup.com

 Download my vCard



This email and any files transmitted with it are confidential and intended solely for the use or entity to whom they are addressed. If you received this email in error, please notify the sender immediately by replying to this message and please delete it from your computer. If you are not the intended recipient, you are hereby notified that any dissemination, distribution, copying or other use of this message or its attachments are strictly prohibited.

From: Kara Friedman [<mailto:KFriedman@Polsinelli.com>]
Sent: Friday, September 14, 2018 10:27 AM
To: Jane Szymczak
Cc: Fazio, Brenna; collin.m.anderson@outlook.com
Subject: MedProperties Lease

Hi Jane – I worked with MedProperties on the original CON application to move the surgery center and I'm working with Brenna on a matter where we need to confirm the address under the lease to the State. If I recall, while 12 Salt Creek was the anticipated address and the building never changed (and so therefore this is the address reflected in the lease), either the Village of Hinsdale or the Post Office assigned an address of 10 Salt Creek. Therefore, while the attached lease states it is for 12 Salt Creek, it is intended to cover the premises that Hinsdale Surgical Center leases at 10 Salt Creek .

If you can confirm that, we will include this email in our package to the State of Illinois.

Thank you,
Kara Friedman

Kara M. Friedman
Shareholder

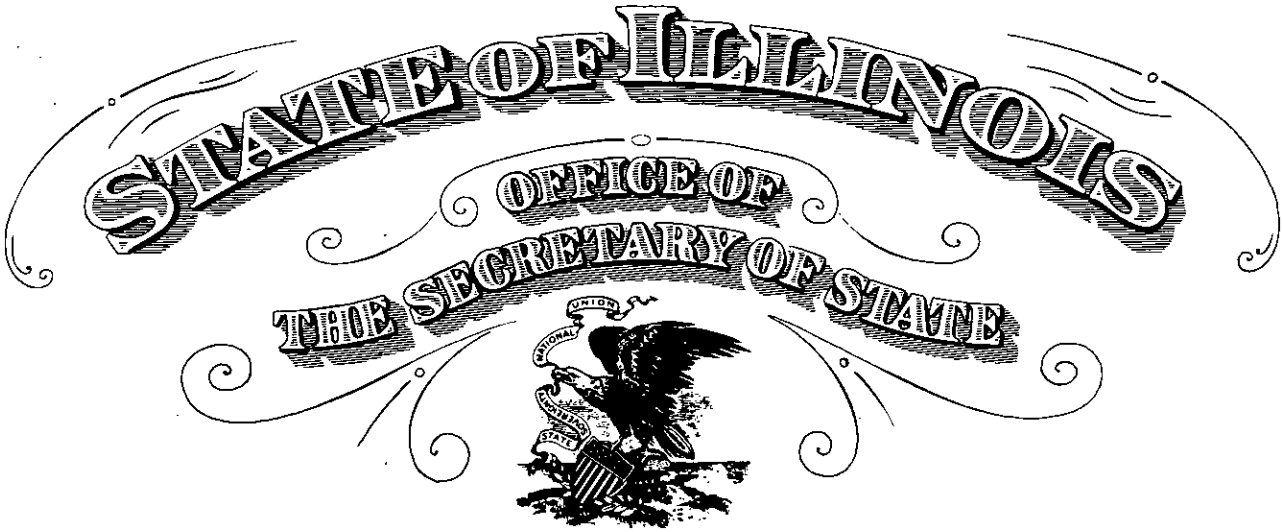
kfriedman@polsinelli.com
312.873.3639
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606

Operating Entity/Licensee

The Illinois Certificate of Good Standing for Hinsdale Surgical Center, LLC is attached at Attachment-3.

The names and percentage of ownership of all persons with five percent or greater ownership in Hinsdale Surgical Center, LLC are listed below.

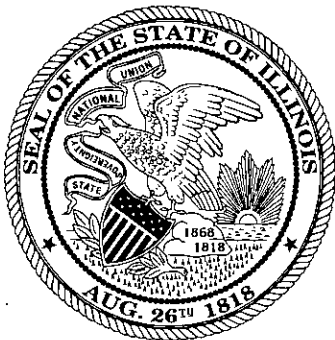
Name	Address	Ownership Interest
Adventist Midwest/USP Surgery Centers, LLC	15305 Dallas Parkway Addison, Texas 75001	46.6%
Pain Specialists of Greater Chicago, SC	7055 High Grove, Suite 100 Burr Ridge, Illinois 60527	9.1%



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

HINSDALE SURGICAL CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON OCTOBER 13, 1998, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 8TH
day of SEPTEMBER A.D. 2018 .***

Jesse White

SECRETARY OF STATE

Organizational Relationships

There are no persons or entities related to the Applicant as defined in Par 1130.140. Accordingly, this criterion is not applicable.

Flood Plain Requirements

The requirement to provide documentation that the project is not in a flood plain is not applicable because there is no construction associated with the project.

Historic Resources Preservation Act Requirements

This project does not involve the demolition or other modification of buildings and will have no impact on historic resources. Thus, the requirement to obtain clearance from the Historic Preservation Agency is not applicable.

Project Costs			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$0	\$0	\$0
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$0	\$0	\$0
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$0	\$0	\$0
Architectural Fees	\$0	\$0	\$0
Consulting and Other Fees	\$0	\$0	\$0
Movable or Other Equipment (not in construction contracts)	\$0	\$0	\$0
Bond Issuance Expense (project related)	\$0	\$0	\$0
Net Interest Expense During Construction (project related)	\$0	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs To Be Capitalized	\$0	\$0	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$0	\$0	\$0

Active CON Permits

Hinsdale Surgical Center does not have any active permits.

Cost Space Requirements

The Applicant proposes to add surgical specialties at its existing ASTC.

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Reviewable							
ASTC	\$0	13,727	0	0	0	13,727	0
Total Clinical	\$0	13,727	0	0	0	13,727	0
Non-Reviewable							
ASTC	\$0	2,861				2,861	
Total Non-Clinical	\$0	2,861	0	0	0	2,861	0
Total	\$0	16,588	0	0	0	16,588	0

Section 1110.130 Discontinuation

The applicant does not propose the discontinuation of a health care facility or a category of service. Therefore this section is not applicable.

Hinsdale Surgical Center

Ms. Courtney Avery
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

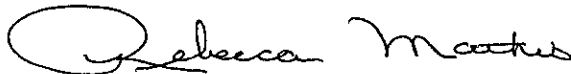
RE: Attachment 11 - Background of Applicant

Dear Ms. Avery:

The following information addresses the four points of the subject criterion 1110.230:

1. Except for the Hinsdale Surgical Center, the Applicant does not currently own or operate any other health care facilities. Copies of the current license and accreditation are attached at Attachment- 11A.
2. No corporate officers, directors, LLC members, partners or owners of 5% or more of Hinsdale Surgical Center own a licensed health care facility other than the Hinsdale Surgical Center.
3. There have been no adverse actions taken against health care facilities owned or operated by the applicant during the three years prior to the filing of this application.
4. This letter serves as authorization permitting the State Board and Agency access to information in order to verify any documentation or information submitted in response to the requirements of this subsection or to obtain any documentation or information which the State Board or Agency finds pertinent to this subsection.

Sincerely,

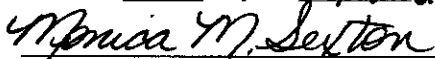


Rebecca Mathis
Member, Hinsdale Surgical Center, LLC

Notarization:

Subscribed and sworn to before

me this 19TH day of September



Signature of Notary

seal





**Illinois Department of
PUBLIC HEALTH**

HF114139

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Nirav D. Shah, M.D., J.D.
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	L.D. NUMBER
11/1/2018		7003198
Ambulatory Surgery Treatment Center		
Effective: 11/02/2017		

Hinsdale Surgical Center
10 Salt Creek Lane
Hinsdale, IL 60521

The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #48240 5M 5*18

← **DISPLAY THIS PART IN A
CONSPICUOUS PLACE**

Exp. Date 11/1/2018

Lic Number 7003198

Date Printed 9/6/2017

Hinsdale Surgical Center

10 Salt Creek Lane
Hinsdale, IL 60521

FEE RECEIPT NO.



November 22, 2017

Brenna Fazio
Administrator
Hinsdale Surgical Center, LLC
10 Salt Creek Lane
Hinsdale, IL 60521

Joint Commission ID #: 131243
Program: Ambulatory Health Care
Accreditation
Accreditation Activity: 60-day Evidence of
Standards Compliance
Accreditation Activity Completed: 11/22/2017

Dear Ms. Fazio:

The Joint Commission is pleased to grant your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- **Comprehensive Accreditation Manual for Ambulatory Health Care**

This accreditation cycle is effective beginning September 20, 2017 and is customarily valid for up to 36 months. Please note, The Joint Commission reserves the right to shorten or lengthen the duration of the cycle.

Should you wish to promote your accreditation decision, please view the information listed under the 'Publicity Kit' link located on your secure extranet site, The Joint Commission Connect.

The Joint Commission will update your accreditation decision on Quality Check®.

Congratulations on your achievement.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

Section III, Purpose of the Project, and Alternatives – Information Requirements

Purpose of Project

1. **Document that the Project will provide health care services that improve the health care or well-being of the market area population to be served.**

The Applicant seeks to add gastroenterology, neurosurgery and vascular surgery services at its existing ASTC.

The purpose of this project is to expand the scope of ASTC services available to residents of Hinsdale and surrounding areas. As set forth in a letter from the ASC Advocacy Committee to Secretary Sebelius regarding implementation of a value-based purchasing system for ASTCs, ASTCs are efficient providers of surgical services. ASTCs provide high quality surgical care, excellent outcomes and a high level of patient satisfaction at lower cost than hospital outpatient departments (HOPDs). Surgical procedures performed in an ASTC are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses to patients. In fact, based on United Healthcare's desire to cover certain procedures only in the ASTC setting, the payor has announced prior authorization guidelines for certain surgical procedures in outpatient hospital settings that will not apply to ambulatory surgery centers. Hinsdale Surgical Center expects other payors to follow suit in the near future. Accordingly, the applicant seeks to provide a high-quality, lower cost option to area residents.

2. **Define the planning area or market area, or other, per the applicant's definition.**

The mandated service area pursuant to the State Board rules consists of those Illinois areas within 10 miles of the existing location. A map of this area is attached as attachment 12B. Travel times from Hinsdale Surgical Center to the market area borders are as follows:

- East: Cicero, Illinois (10 miles)
- South: Palos, Illinois (10 miles)
- West: Wheaton, Illinois (10 miles)
- North: Wood Dale, Illinois (10 miles)

As shown in Table 1110.230(a), which is attached as Attachment 12A, 75.1% of the patients who undergo ambulatory surgery at Hinsdale Surgical Center reside within 10 miles of the ASTC.

3. **Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the Project.**

A. Hinsdale-area patients are currently undergoing gastroenterology, neurosurgery and vascular surgery procedures in the hospital setting despite the fact that the ASTC represents a lower cost option

Most of the volumes identified in Attachment- 27 are associated with outpatient cases that are currently being performed in the hospital setting. By offering additional ASTC services in Hinsdale, the Applicant will allow these patients to obtain this same high quality care in a more convenient, lower cost setting. Doing so aligns with the preferences of patients, providers and insurance companies.

B. There is unutilized capacity at Hinsdale Surgical Center

Hinsdale Surgical Center currently has unused capacity. Accordingly, healthcare resources such as operating rooms and staff are underutilized. Adding additional specialties would allow Hinsdale Surgical Center to lower the cost of care by better utilizing its existing space and staffing resources.

4. Cite the sources of the information provided as documentation.

Letter from ASC Advocacy Committee to Secretary Sebelius *available at* <http://wasca.net/wp-content/uploads/2010/10/Final-ASCAC-ASCA-VBP-letter-to-Sebelius.pdf> (last visited July 28, 2018).

United Healthcare's prior authorization requirements for HOPDs *available at* <https://www.unitedhealthcareonline.com/ccmcontent/ProviderII/UHC/en-US/Assets/ProviderStaticFiles/ProviderStaticFilesPdf/Tools%20and%20Resources/Policies%20and%20Protocols/PCA17109.pdf> (last visited September 20, 2016).

5. Detail how the Project will address or improve the previously referenced issues as well as the population's health status and well-being.

As discussed in greater detail above, by offering additional surgical specialties, Hinsdale Surgical Center can better meet the needs of patients residing in the western suburbs. Since the ASTC is the lowest cost and most convenient setting for these procedures, the addition of gastroenterology, neurosurgery and vascular surgery will increase access to high quality health services for patients residing in Hinsdale Surgical Center's service area.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

Hinsdale Surgical Center's prevailing objectives are to enhance access to ambulatory surgical care for patients and to improve the quality of these services. Specifically, the goals of the Project are:

- To meet the demand for lower cost ambulatory surgery services in the defined service area.
- To increase utilization of Hinsdale Surgical Center.

These goals can be achieved at the time of project completion.

ATTACHMENT 12-A

The table below lists the patient origin by zip code for all patients treated at Hinsdale Surgical Center during calendar year 2016. As documented in Attachment- 27, 4,506 (or 75.1%) of the cases were from patients residing in the GSA.

Zip Code	2016 Volume
60527	343
60561	296
60516	268
60515	227
60525	225
60521	209
60559	194
60517	156
60514	145
60558	136
60440	122
60523	114
60402	113
60532	113
60148	110
60154	105
60126	104
60526	99
60439	92
60446	89
60513	85
60137	79
60638	78
60181	67
60480	56
60546	56
60441	55
60534	55
60540	54
60101	52
60804	52
60563	45
60491	44
60565	41
60564	40

60189	39
60453	39
60462	37
60544	34
60586	34
60139	33
60465	33
60455	32
60458	31
60467	31
60490	29
60459	28
60106	26
60435	26
60487	26
60506	26
60164	25
60423	25
60108	24
60403	24
60187	22
60501	22
60191	21
60445	21
60707	21
60103	20
60104	20
60452	20
60457	20
60477	20
60543	20
60451	19
60505	18
60585	18
60302	17
60190	16
60463	16
60464	16
60503	16
60555	16
60634	16

60655	16
60482	15
60304	14
60448	14
60504	14
60623	14
60647	14
60090	13
60611	13
60632	13
60431	12
60641	12
60153	11
60172	11
60608	11
60629	11
60652	11
60123	10
60142	10
60162	10
60185	10
60305	10
60410	10
60450	10
60510	10
60643	10
60068	9
60134	9
60188	9
60417	9
60004	8
60062	8
60143	8
60415	8
60416	8
60622	8
60010	7
60056	7
60089	7
60120	7
60130	7

60160	7
60404	7
60429	7
60502	7
60614	7
60639	7
60914	7
46307	6
60007	6
60107	6
60131	6
60193	6
60447	6
60473	6
60478	6
60552	6
60609	6
60616	6
60624	6
60805	6
61341	6
60035	5
60073	5
60174	5
60438	5
60449	5
60481	5
60545	5
60560	5
60615	5
60617	5
60630	5
60631	5
60651	5
46375	4
60018	4
60026	4
60067	4
60093	4
60133	4
60155	4

60169	4
60442	4
60607	4
60610	4
60653	4
60706	4
60803	4
61362	4
46311	3
60008	3
60025	3
60076	3
60081	3
60115	3
60124	3
60177	3
60184	3
60436	3
60538	3
60612	3
60620	3
60642	3
60656	3
61310	3
61378	3
61761	3
46321	2
46383	2
46530	2
60030	2
60031	2
60044	2
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60102	2
60110	2
60119	2
60175	2
60411	2
60461	2
60466	2
60522	2

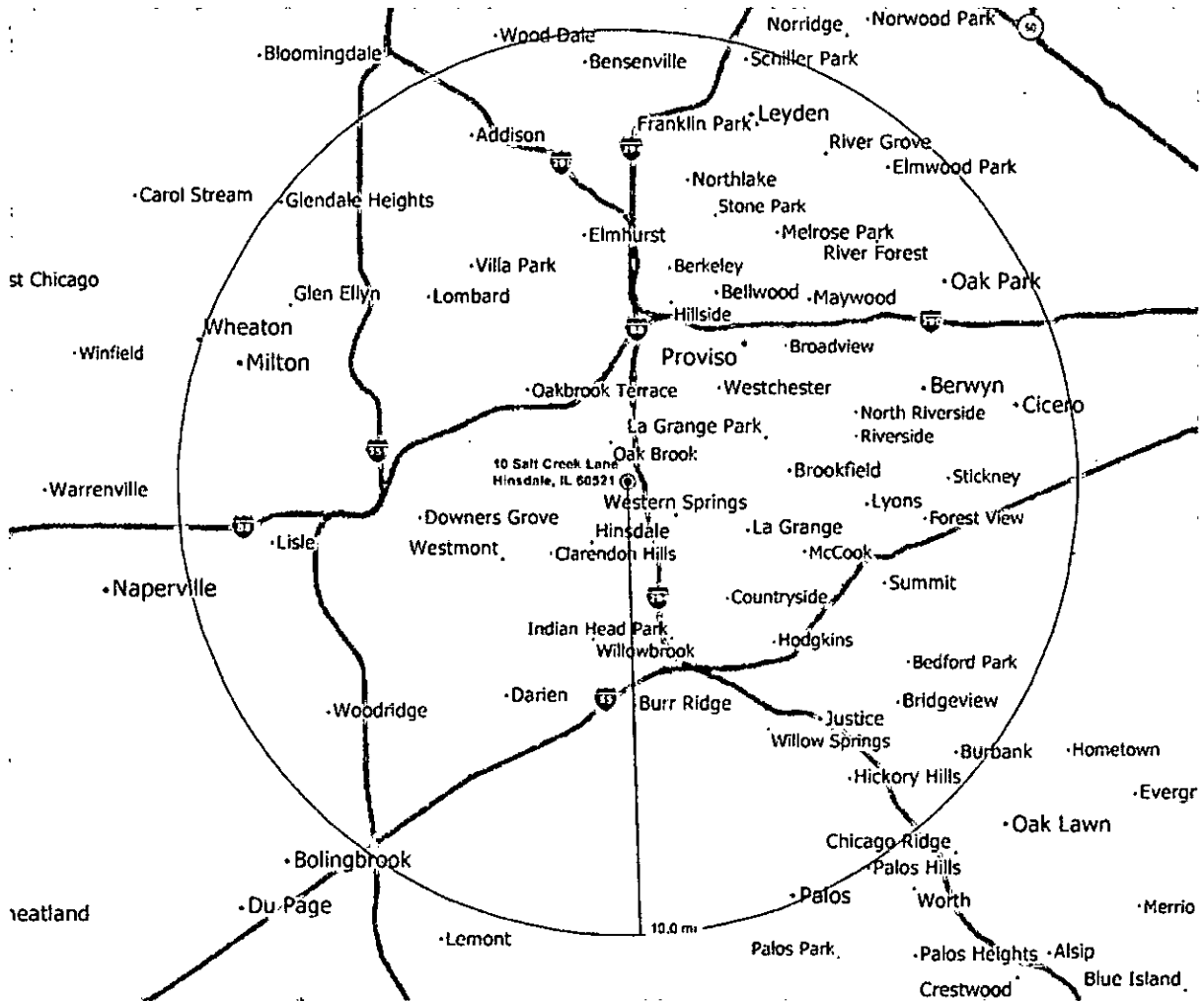
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60542	2
60548	2
60556	2
60604	2
60605	2
60618	2
60619	2
60625	2
60640	2
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60654	2
60657	2
60827	2
60950	2
61028	2
61073	2
61350	2
61401	2
61821	2
62002	2
46303	1
46304	1
46310	1
46322	1
46327	1
46350	1
46360	1
46373	1
46534	1
46746	1
47201	1
60013	1
60014	1
60015	1
60016	1
60022	1
60042	1
60046	1
60053	1

60064	1
60070	1
60112	1
60118	1
60141	1
60151	1
60156	1
60171	1
60173	1
60192	1
60194	1
60201	1
60401	1
60406	1
60407	1
60409	1
60419	1
60425	1
60428	1
60430	1
60432	1
60443	1
60456	1
60468	1
60475	1
60531	1
60551	1
60554	1
60567	1
60613	1
60621	1
60626	1
60628	1
60636	1
60645	1
60649	1
60714	1
60901	1
60935	1
61021	1
61031	1

61068	1
61081	1
61301	1
61342	1
61348	1
61373	1
61455	1
61820	1
61842	1
62269	1
62301	1
62691	1

ATTACHMENT 12-B

10 Mile Radius from Hinsdale Surgical Center



Alternatives to the Proposed Project

The Applicant proposes to add gastroenterology, neurosurgery and vascular surgery services at its existing ASTC. The Applicant believes that the proposed project is the optimal alternative when balancing access and quality with costs. The following narrative consists of a comparison of the proposed project to an alternative option.

The Applicant has considered the following alternatives:

Do Nothing (\$0)

This alternative would maintain the status quo, which is to have patients undergo procedures in the hospital setting. It would not improve access to high-quality, lower cost ASTC care as described throughout this application. Furthermore, doing nothing would not increase utilization at Hinsdale Surgical Center. For these reasons, this alternative was rejected.

Add surgical specialties at Hinsdale Surgical Center (Proposed). (\$0)

To improve access for Hinsdale area residents to gastroenterology, neurosurgery and vascular surgery services in the ASTC setting, the applicant decided to add these surgical specialties to their existing multi-specialty ASTC. After weighing this zero cost option against others, it was determined that this alternative would provide the greatest benefit in terms of increased utilization and increased access to health care services.

For all of these reasons, this was the chosen alternative.

Size of Project

The applicant proposes to add gastroenterology, neurosurgery and vascular surgery services at an existing multi-specialty ASTC with four operating rooms, two procedure rooms, eight Stage 1 recovery stations and twelve stage 2 recovery stations. The gross square footage of clinical space at the existing facility is 13,727 gsf. There is no change in square footage associated with this planned addition of surgical specialties.

Project Services Utilization

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which the HFSRB has established utilization standards or occupancy targets in 77 Il. Admin. Code 1100. There are no such standards for the addition of specialties to an existing ASTC.

Unfinished or Shell Space

The proposed project does not entail unfinished or shell space, so this section is not applicable.

Section V Master Design and Related Projects

This is not a Master Design and Related Projects activity. Therefore this section is not applicable.

SECTION VI - MERGERS, CONSOLIDATIONS & ACQUISITIONS/CHANGES OF OWNERSHIP

This project does not involve a merger, consolidation or acquisition/change of ownership.
Therefore this section is not applicable.

Section VII Service Specific Review Criteria

This project does not involve any of the following services. Therefore the associated sections are not applicable.

- Medical/Surgical, Obstetric, Pediatric and Intensive Care
- Comprehensive Physical Rehabilitation
- Acute Mental Illness and Chronic Mental Illness
- Neonatal Intensive Care
- Open Heart Surgery
- Cardiac Catheterization
- In-Center Hemodialysis
- Selected Organ Transplantation
- Kidney Transplantation
- Subacute Care Hospital Model
- Children's Community-Based Health Care Center
- Community-Based Residential Rehabilitation Center
- Long Term Acute Care Hospital
- Clinical Service Areas Other than Categories of Service
- Freestanding Emergency Center Medical Services

Section VII, Service Specific Review Criteria**Non-Hospital Based Ambulatory Surgery****Criterion 1110.235(c)(2) – Service to Geographic Area Residents**

1. Attached as Attachment- 27a is a map outlining the intended geographic service area (GSA) for the proposed ASTC. As set forth in Criterion 1110.235, Hinsdale Surgical Center will serve residents of Hinsdale and surrounding communities within 10 miles of the existing site. Accordingly, the intended GSA consists of those areas within 10 miles of Hinsdale Surgical Center.
2. Table 1110.235(c)(2)(B)(i) below lists all of the zip codes located, in total or in part, within 10 miles of the existing ASTC as well as 2016 population estimates for each zip code.

Table 1110.235(c)(2)(B)(i)		
ZIP	City	2016 Population
60629	Chicago	116,401
60623	Chicago	94,388
60639	Chicago	90,223
60632	Chicago	89,623
60804	Cicero	84,786
60634	Chicago	74,711
60402	Berwyn	63,383
60651	Chicago	61,558
60638	Chicago	58,294
60453	Oak Lawn	57,100
60440	Bolingbrook	53,627
60148	Lombard	53,191
60644	Chicago	49,005
60126	Elmhurst	47,126
60540	Naperville	43,804
60188	Carol Stream	43,749
60707	Elmwood Park	42,859
60565	Naperville	41,277
60101	Addison	40,742
60624	Chicago	38,266
60563	Naperville	36,732
60139	Glendale Heights	36,648
60137	Glen Ellyn	36,101
60302	Oak Park	32,455
60189	Wheaton	32,016
60525	La Grange	31,776
60517	Woodridge	31,735
60527	Willowbrook	28,948

60516	Downers Grove	28,684
60459	Burbank	28,635
60515	Downers Grove	28,464
60187	Wheaton	28,155
60181	Villa Park	27,849
60532	Lisle	27,162
60160	Melrose Park	25,695
60559	Westmont	24,942
60153	Maywood	24,071
60439	Lemont	23,374
60561	Darien	22,910
60164	Melrose Park	21,864
60106	Bensenville	20,142
60104	Bellwood	19,233
60513	Brookfield	19,021
60131	Franklin Park	18,292
60521	Hinsdale	17,964
60465	Palos Hills	17,572
60304	Oak Park	17,483
60154	Westchester	16,705
60455	Bridgeview	16,202
60546	Riverside	15,737
60130	Forest Park	14,400
60457	Hickory Hills	14,346
60415	Chicago Ridge	14,278
60458	Justice	14,242
60191	Wood Dale	13,968
60526	La Grange Park	13,810
60558	Western Springs	12,765
60501	Summit Argo	12,137
60176	Schiller Park	11,832
60305	River Forest	11,063
60534	Lyons	10,581
60143	Itasca	10,535
60171	River Grove	10,105
60523	Oak Brook	10,034
60514	Clarendon Hills	9,907
60464	Palos Park	9,520
60162	Hillside	8,234
60155	Broadview	8,193
60163	Berkeley	5,312

60480	Willow Springs	5,258
60165	Stone Park	4,652
60141	Hines	203

Source: 2016 American Community Survey

3. Table 1110.235(c)(2)(B)(ii) lists the patient origin by zip code for all patients treated at Hinsdale Surgical Center during calendar year 2016. As documented in Table 1110.235(c)(2)(B)(ii) below 4,506 (or 75.1%) of the cases were from patients residing in the GSA.

1110.235(c)(2)(B)(ii)	
Zip Code	2016 Volume
60527	343
60561	296
60516	268
60515	227
60525	225
60521	209
60559	194
60517	156
60514	145
60558	136
60440	122
60523	114
60402	113
60532	113
60148	110
60154	105
60126	104
60526	99
60439	92
60446	89
60513	85
60137	79
60638	78
60181	67
60480	56
60546	56
60441	55
60534	55
60540	54
60101	52

60804	52
60563	45
60491	44
60565	41
60564	40
60189	39
60453	39
60462	37
60544	34
60586	34
60139	33
60465	33
60455	32
60458	31
60467	31
60490	29
60459	28
60106	26
60435	26
60487	26
60506	26
60164	25
60423	25
60108	24
60403	24
60187	22
60501	22
60191	21
60445	21
60707	21
60103	20
60104	20
60452	20
60457	20
60477	20
60543	20
60451	19
60505	18
60585	18
60302	17
60190	16

60463	16
60464	16
60503	16
60555	16
60634	16
60655	16
60482	15
60304	14
60448	14
60504	14
60623	14
60647	14
60090	13
60611	13
60632	13
60431	12
60641	12
60153	11
60172	11
60608	11
60629	11
60652	11
60123	10
60142	10
60162	10
60185	10
60305	10
60410	10
60450	10
60510	10
60643	10
60068	9
60134	9
60188	9
60417	9
60004	8
60062	8
60143	8
60415	8
60416	8
60622	8

60010	7
60056	7
60089	7
60120	7
60130	7
60160	7
60404	7
60429	7
60502	7
60614	7
60639	7
60914	7
46307	6
60007	6
60107	6
60131	6
60193	6
60447	6
60473	6
60478	6
60552	6
60609	6
60616	6
60624	6
60805	6
61341	6
60035	5
60073	5
60174	5
60438	5
60449	5
60481	5
60545	5
60560	5
60615	5
60617	5
60630	5
60631	5
60651	5
46375	4
60018	4

60026	4
60067	4
60093	4
60133	4
60155	4
60169	4
60442	4
60607	4
60610	4
60653	4
60706	4
60803	4
61362	4
46311	3
60008	3
60025	3
60076	3
60081	3
60115	3
60124	3
60177	3
60184	3
60436	3
60538	3
60612	3
60620	3
60642	3
60656	3
61310	3
61378	3
61761	3
46321	2
46383	2
46530	2
60030	2
60031	2
60044	2
60047	2
60102	2
60110	2
60119	2

60175	2
60411	2
60461	2
60466	2
60522	2
60541	2
60542	2
60548	2
60556	2
60604	2
60605	2
60618	2
60619	2
60625	2
60640	2
60644	2
60646	2
60654	2
60657	2
60827	2
60950	2
61028	2
61073	2
61350	2
61401	2
61821	2
62002	2
46303	1
46304	1
46310	1
46322	1
46327	1
46350	1
46360	1
46373	1
46534	1
46746	1
47201	1
60013	1
60014	1
60015	1

60016	1
60022	1
60042	1
60046	1
60053	1
60064	1
60070	1
60112	1
60118	1
60141	1
60151	1
60156	1
60171	1
60173	1
60192	1
60194	1
60201	1
60401	1
60406	1
60407	1
60409	1
60419	1
60425	1
60428	1
60430	1
60432	1
60443	1
60456	1
60468	1
60475	1
60531	1
60551	1
60554	1
60567	1
60613	1
60621	1
60626	1
60628	1
60636	1
60645	1
60649	1

60714	1
60901	1
60935	1
61021	1
61031	1
61068	1
61081	1
61301	1
61342	1
61348	1
61373	1
61455	1
61820	1
61842	1
62269	1
62301	1
62691	1

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(3) – Service Demand

Physician referral letters providing historical utilization data and anticipated case volumes are attached at Appendix- 1. Zip code data for historical patients is also included with the letters.

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235 (c)(5) – Treatment Room Need Assessment

- a. The existing ASTC currently operates four ORs and two procedure rooms. No changes will be made to the current facility. In 2016, 6,045 cases (5,712 surgical hours) were performed at Hinsdale Surgical Center. There is sufficient capacity to accommodate the additional cases identified in Appendix- 1.
- b. The estimated time per procedure including clean-up and set-up time is shown in the table below. These figures are based on the CY2016 ASTC questionnaire state summary.

Specialty	Average Case Time (Hours)
Gastroenterology	0.74
Neurosurgery	1.47
Vascular Surgery*	1.32

*Vascular Surgery is not a category that has historically been segregated within the ASTC questionnaire. Accordingly, general surgery was used as a proxy.

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(6) – Service Accessibility

This project would expand access to care in the ASTC setting for residents of the GSA. By adding surgical specialties at its existing ASTC, the Applicant will be able to shift procedures appropriate for an ASTC setting away from hospital outpatient departments (HOPDs). Doing so is important since HOPDs are more costly, less efficient and less convenient than ASTCs.

As described in Attachment- 12, ASTCs provide high quality surgical care, excellent outcomes and high levels of patient satisfaction at a lower cost than HOPDs. Surgical procedures performed in an ASTC are reimbursed at lower rates than HOPDs and result in lower out-of-pocket expenses for patients. Furthermore, patients often report an enhanced experience at ASTCs compared to HOPDs due, in part, to easier access to parking, shorter waiting times and ease of access into and out of the operating rooms. Finally, surgeons are more efficient due to faster turnover of operating rooms, designated surgical times without risk of delay due to more urgent procedures and specialized nursing staff. As a result of these efficiencies, more time can be spent with patients thereby improving the quality of care.

With the above in mind, it would benefit the community for Hinsdale Surgical Center to be able to offer additional specialties.

Section VII, Service Specific Review Criteria

Non-Hospital Based Ambulatory Surgery

Criterion 1110.235(c)(7) – Unnecessary Duplication/Maldistribution

1. Unnecessary Duplication of Services

- a. The existing ASTC will remain in its current location at 10 Salt Creek Lane Hinsdale, IL 60521. A map of the facility's market area is attached at Attachment- 27a. Table 1110.235(c)(7)(A) below lists the zip codes that comprise the GSA as well as the corresponding populations.

Table 1110.235(c)(7)(A)		
ZIP	City	2016 Population
60629	Chicago	116,401
60623	Chicago	94,388
60639	Chicago	90,223
60632	Chicago	89,623
60804	Cicero	84,786
60634	Chicago	74,711
60402	Berwyn	63,383
60651	Chicago	61,558
60638	Chicago	58,294
60453	Oak Lawn	57,100
60440	Bolingbrook	53,627
60148	Lombard	53,191
60644	Chicago	49,005
60126	Elmhurst	47,126
60540	Naperville	43,804
60188	Carol Stream	43,749
60707	Elmwood Park	42,859
60565	Naperville	41,277
60101	Addison	40,742
60624	Chicago	38,266
60563	Naperville	36,732
60139	Glendale Heights	36,648
60137	Glen Ellyn	36,101
60302	Oak Park	32,455
60189	Wheaton	32,016
60525	La Grange	31,776
60517	Woodridge	31,735
60527	Willowbrook	28,948

60516	Downers Grove	28,684
60459	Burbank	28,635
60515	Downers Grove	28,464
60187	Wheaton	28,155
60181	Villa Park	27,849
60532	Lisle	27,162
60160	Melrose Park	25,695
60559	Westmont	24,942
60153	Maywood	24,071
60439	Lemont	23,374
60561	Darien	22,910
60164	Melrose Park	21,864
60106	Bensenville	20,142
60104	Bellwood	19,233
60513	Brookfield	19,021
60131	Franklin Park	18,292
60521	Hinsdale	17,964
60465	Palos Hills	17,572
60304	Oak Park	17,483
60154	Westchester	16,705
60455	Bridgeview	16,202
60546	Riverside	15,737
60130	Forest Park	14,400
60457	Hickory Hills	14,346
60415	Chicago Ridge	14,278
60458	Justice	14,242
60191	Wood Dale	13,968
60526	La Grange Park	13,810
60558	Western Springs	12,765
60501	Summit Argo	12,137
60176	Schiller Park	11,832
60305	River Forest	11,063
60534	Lyons	10,581
60143	Itasca	10,535
60171	River Grove	10,105
60523	Oak Brook	10,034
60514	Clarendon Hills	9,907
60464	Palos Park	9,520
60162	Hillside	8,234
60155	Broadview	8,193
60163	Berkeley	5,312

60480	Willow Springs	5,258
60165	Stone Park	4,652
60141	Hines	203

Source: 2016 American Community Survey

- b. A list of all existing and approved health care facilities located within the Hinsdale Surgical Center GSA is attached at Attachment- 27b.

2. Maldistribution of Services

Ratio of Stations to Population

As shown in Table 1110.235(c)(7)(B), the ratio of operating rooms to population is below the state average. Since access to operating rooms is more limited than in other parts of the state, it is important that Hinsdale Surgical Center is able to offer additional specialties to increase access to surgical services.

Table 1110.235(c)(7)(B)			
Ratio of Stations to Population			
	Population	Operating & Procedure Rooms	Rooms to Population
Geographic Service Area	2,226,055	435	1 : 5,117
State	12,802,023	4,026	1 : 3,180

3. Impact to Other Providers

The Project will not have an adverse impact on existing facilities in the GSA or lower utilization of other area providers that are operating below the occupancy standards. As discussed throughout the application, Hinsdale Surgical Center is seeking authority from the State Board to add gastroenterology, neurosurgery and vascular surgery services at its existing ASTC. The volumes involved in adding these specialties are nominal and would have a very limited impact on any single provider. Furthermore, many of the projected cases will shift from hospital partners within the Amita Health System.

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(8) – Staffing

The Applicant seeks authority to add surgical services at its existing ASTC. Hinsdale Surgical Center is currently staffed in accordance with IDPH and Joint Commission accreditation staffing requirements and anticipates all staff from the existing ASTC will continue to practice there when additional surgical specialties are added.

The Applicant does not anticipate issues with hiring additional nurses and Certified Surgical Technologists (CSTs) as needed. Hinsdale Surgical Center routinely recruits at various RN and Certified Surgical Tech colleges, and offers sign-on and referral bonuses for newly hired RNs.

The Applicant anticipates that Hinsdale Surgical Center's current Medical Director, Dr. Craig Gardner, will continue to function as Medical Director and will commit additional administrative time as needed as a result of the additional specialties. Dr. Gardner's CV can be found at Attachment- 27d.

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(9) – Charge Commitment

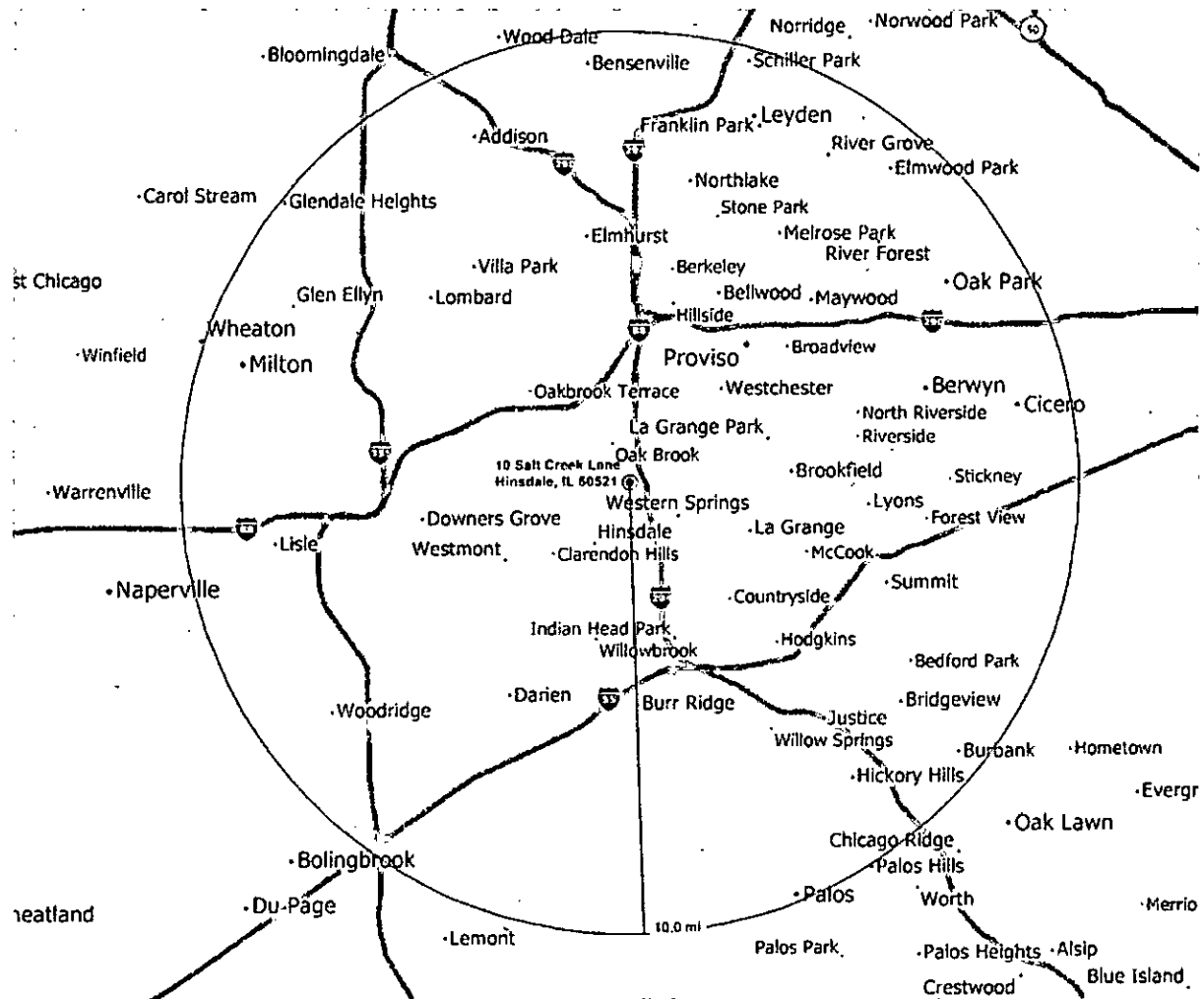
Table 1110.1540(c)(9)		
Name of Procedure	Primary CPT	Max Charge
Esophagogastroduodenoscopy	43235	\$2,520
Sigmoidoscopy Diagnostic	45330	\$2,275
Colonoscopy, Flexible or Rigid	45355	\$2,275
Colonoscopy for Biopsy	45380	\$2,275
Ligation and vein stripping	37722	\$4,722
Ligation and banding of AV fistula	37607	\$5,466
Laminotomy Spinal Cord Stim Placement	63655	\$45,250

Table 1110.235(c)(9) above illustrates the procedures by primary CPT code that will be typically performed within the new specialties. Each line shows anticipated maximum charges for two years for a surgical case with the primary CPT code shown.

Section VII, Service Specific Review Criteria
Non-Hospital Based Ambulatory Surgery
Criterion 1110.235(c)(10) – Assurances

Attached as Attachment- 27c is a letter from Hinsdale Surgical Center that contains assurances as outlined in 1110.235(c)(10).

10 Mile Radius from Hinsdale Surgical Center



ATTACHMENT- 27b

Type	Facility Name	Address	City	Zip	County	Miles
ASTC	Eye Surgery Center of Hinsdale	950 North York Road Suite 203	Hinsdale	60521	DuPage	0.4
Hospital	Adventist Hinsdale Hospital	120 North Oak Street	Hinsdale	60521	DuPage	1.1
ASTC	Chicago Prostate Cancer Surgery Center, LLC	815 Pasquinelli Drive	Westmont	60559	DuPage	1.7
ASTC	Children's Outpatient Services at Westchester	2301 Enterprise Drive	Westchester	60154	Cook	1.8
Hospital	RML Specialty Hospital	5601 South County Line Road	Hinsdale	60521	Cook	2.3
Hospital	Adventist La Grange Memorial Hospital	5101 S. Willow Springs Road	La Grange	60525	Cook	2.6
ASTC	United Shockwave Services	120 N. LaGrange Road	LaGrange	60525	Cook	2.6
Hospital	Elmhurst Memorial Hospital	155 East Brush Hill Road	Elmhurst	60126	DuPage	2.9
ASTC	Salt Creek Surgery Center	530 N. CASS AVE	Westmont	60559	DuPage	2.9
ASTC	Elmhurst Outpatient Surgery Center, LLC	1200 South York Road	Elmhurst	60126	DuPage	3.1
ASTC	The Oak Brook Surgical Centre, Inc.	2425 W. 22nd St., Ste. 101	Oak Brook	60523	DuPage	3.4
ASTC	River North Surgical Suites dba Elmhurst Foot & Ankle	340 W BUTTERFIELD RD, STE 1B	Elmhurst	60126	DuPage	3.4
ASTC	DMG Surgical Center, LLC	2725 S Technology Drive	Lombard	60148	DuPage	4.1
Hospital	Advocate Good Samaritan Hospital	3815 Highland Avenue	Downers Grove	60515	DuPage	4.6
ASTC	Midwest Center for Day Surgery	3811 Highland Ave	Downers Grove	60515	DuPage	4.7
ASTC	Ambulatory Surgicenter of Downers Grove	4333 MAIN ST.	Downers Grove	60515	DuPage	4.8
ASTC	Loyola Ambulatory Surgery Center at Oakbrook	1 South 224 Summit Avenue., Suite 201	Oakbrook Terrace	60181	DuPage	5.1
Hospital	Loyola University Medical Center	2160 South 1st Avenue	Maywood	60153	Cook	5.3
ASTC	Loyola University Ambulatory Surgery Center	2160 South First Avenue	Maywood	60153	Cook	5.4
Hospital	Riveredge Hospital	8311 West Roosevelt Road	Forest Park	60130	Cook	5.7
Hospital	VHS Westlake Hospital	1225 Lake Street	Melrose Park	60160	Cook	6.2
Hospital	Kindred Hospital - Northlake	365 East North Avenue	Northlake	60164	Cook	6.2
ASTC	Forest Med-Surg Center	9050 W. 81st Street	Justice	60458	Cook	6.6
Hospital	MacNeal Hospital	3249 South Oak Park Avenue	Berwyn	60402	Cook	6.7

Hospital	Gottlieb Memorial Hospital	701 West North Avenue	Melrose Park	60160	Cook	7.2
Hospital	Rush Oak Park Hospital	520 South Maple Street	Oak Park	60304	Cook	7.3
ASTC	Novamed Surgery Center of River Forest, LLC	7427 Lake Street	River Forest	60305	Cook	7.3
Hospital	UHS Hartgrove Hospital	5730 West Roosevelt RD.	Chicago	60644	Cook	8.5
ASTC	Elmwood Park Same Day Surgery Center	1614 North Harlem Avenue	Elmwood Park	60707	Cook	8.6
Hospital	Loretto Hospital	645 South Central Avenue	Chicago	60644	Cook	8.9
Hospital	VHS West Suburban Medical Center	3 Erie Court	Oak Park	60302	Cook	8.9
ASTC	Advanced Ambulatory Surgical Center	2333 N Harlem Ave	Chicago	60707	Cook	9.2
Hospital	Shriners Hospitals for Children - Chicago	2211 North Oak Park	Chicago	60707	Cook	9.5
Hospital	Adventist GlenOaks Hospital	701 Winthrop Avenue	Glendale Heights	60139	DuPage	9.6
ASTC	Palos Hills Surgery Center	10330 South Roberts Road, Suite 300	Palos Hills	60465	Cook	9.6
ASTC	Magna Surgical Center	7456 S State Road, Suite 300	Bedford Park	60638	Cook	9.7
Hospital	Northwestern Marianjoy Rehabilitation Center	26 West 171 Roosevelt Road	Wheaton	60187	DuPage	10

*Vascular Surgery is not a category that has historically been segregated within the ASTC questionnaire. Accordingly, all facilities within a 10 mile radius are listed above.

Hinsdale Surgical Center

Ms. Courtney Avery
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

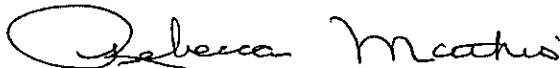
RE: Non-Hospital Based Ambulatory Surgical Treatment Center Assurances

Dear Ms. Avery:

Pursuant to 77 Ill. Admin. Code § 1110.235(c)(10), I hereby certify the following:

- Hinsdale Surgical Center will continue its existing peer review program that evaluates whether patient outcomes are consistent with quality standards established by professional organizations for surgical services. If outcomes do not meet or exceed those standards, a quality improvement plan will be initiated.
- By the second year of operation after the project completion date, the annual utilization of the surgical/treatment rooms at Hinsdale Surgical Center will, by the addition of the anticipated cases, be optimized to exceed its current utilization.

Sincerely,



Rebecca Mathis
Member, Hinsdale Surgical Center, LLC

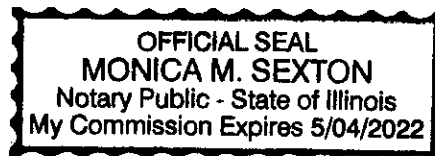
Notarization:

Subscribed and sworn to before
me this 19th day of September



Signature of Notary

seal



**CRAIG MICHAEL GARDNER, M.D.
3105 HERITAGE OAKS CIRCLE
OAK BROOK, ILLINOIS 60523**

Home: 630-271-0633
Fax : 630-271-0633
E-Mail: cmgardner46@msn.com

Work: 630-856-6643
Cell: 630-915-6204

EDUCATION:

Medical - Northwestern University Medical School
303 East Chicago Avenue
Chicago, Illinois 60611
Doctor of Medicine - December 18, 1981

Pre-Medical - Northwestern University
Honors Program in Medical Education
633 Clark Street
Evanston, Illinois 60201
Bachelor of Science in Medicine - June 20, 1980

POST-GRADUATE TRAINING:

Residency - Michael Reese Hospital and Medical Center
29th Street and Ellis Avenue
Department of Anesthesiology
Chicago, Illinois 60616
July 1, 1984 - June 30, 1986

Internship - Saint Joseph Hospital
2900 North Lake Shore Drive
Department of Surgery
Chicago, Illinois 60657
July 1, 1983 - June 30, 1984

BOARD CERTIFICATION:

Diplomat, American Board of Anesthesiology - October 28, 1988 - Certificate # 15786

LICENSURE:

State of Illinois Department of Registration and Education
Medical License # 036-068699
Controlled Substance Registration Certificate, United States Department of Justice
Drug Enforcement Administration # AG2851358

Advanced Cardiac Life Support (9/9/2015)
Pediatric Advanced Life Support (4/15/2015)
Basic Life Support (9/14/2016)

CRAIG MICHAEL GARDNER, M.D. (continued)

PROFESSIONAL SOCIETIES:

American Society of Anesthesiologists
International Anesthesia Research Society
American Medical Association

PREVIOUS POSITIONS:

Treasurer - Hinsdale Anesthesia Associates, LTD (December 1995 - December 2003)
President - Hinsdale Anesthesia Associates, LTD (December 2003 - December 2008)

PRESENT POSITION:

Active Medical Staff Member - Adventist Hinsdale Hospital
Partner - Hinsdale Anesthesia Associates, LTD
Medical Director - Hinsdale Surgical Center

Section 1120.120 Availability of Funds

This project does not involve project costs. The applicants, therefore, are not required to address Section 1120.120 Availability of Funds.

Section 1120.130 Financial Viability

This project does not involve project costs. The applicants, therefore, are not required to address Section 1120.130 Financial Viability.

Section 1120.140 Economic Feasibility

This project does not involve project costs. The applicants, therefore, are not required to address Section 1120.140 Economic Feasibility.

Safety Net Impact Statement

The Applicant seeks to add gastroenterology, neurosurgery and vascular surgery services at its existing ASTC. No services are being eliminated. The Project will enhance access to care at Hinsdale Surgical Center, and is not expected to have any adverse impact on safety net services in the community or on the ability of any other health care provider to deliver services.

This Safety Net Impact Statement addresses the following requirements:

- 1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.**

Adding additional specialties at Hinsdale Surgical Center will improve safety net services in the community. In CY2017, 49 Medicaid patients underwent procedures at Hinsdale Surgical Center. By expanding the range of surgical specialties offered at Hinsdale Surgical Center, the Project will expand access to high quality, lower cost surgical care for this population.

- 2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.**

The addition of specialties at Hinsdale Surgical Center will not adversely impact the ability of other providers or health care systems to serve patients seeking safety net services. The Applicants do not believe there will be any adverse impact on other providers or health care systems, as the Project involves nominal case volumes, many of which will shift from hospital partners within Amita Health System.

- 3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.**

The proposed project involves adding additional specialties. As a result, an analysis regarding how reduced services will impact the community is not applicable.

Safety Net Impact Statements shall also include:

- 1. For the three fiscal years prior to the application, the applicant must also provide certification describing the amount of charity care provided by the applicant;**
- 2. For the three fiscal years prior to the application, a certification of the amount of charity care provided to Medicaid patients;**
- 3. Any information the applicant believes is directly relevant to safety net services.**

Safety Net Impact Statement

1. Hinsdale Surgical Center Charity Care Information

Charity Care (# of patients)	FY 15	FY 16	FY 17
Outpatient	10	1	0
Charity Care (cost in dollars)	FY 15	FY 16	FY 17
Outpatient	\$77,167	\$4,180	\$0

2. Hinsdale Surgical Center Medicaid Information

Medicaid (# of patients)	FY 15	FY 16	FY 17
Outpatient	58	15	49
Medicaid (Revenue)	FY 15	FY 16	FY 17
Outpatient	\$35,988	\$52,677	\$35,780

3. Additional Information Relevant to Safety Net Services

- Not applicable.

Charity Care Information

Charity care figures for Hinsdale Surgical Center for the latest three audited fiscal years are provided in the table below:

Hinsdale Surgical Center

Charity Care				
		2015	2016	2017
1	Net Patient Revenue	\$9,649,395	\$10,654,087	\$12,053,285
2	Amount of Charity Care (charges)	\$265,841	\$17,544	\$0
3	Cost of Charity Care	\$77,167	\$4,180	\$0
4	Ratio of the cost of Charity Care to Net Patient Revenue	0.8%	0.04%	0.0%

Physician Letters

Required documentation of anticipated physician referrals is found in the Appendix of this application.

September 14, 2018

Courtney Avery, Administrator
IL Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Hinsdale Surgical Center

Dear Ms. Avery:

I am writing on behalf of my practice, Amita Health Medical Group: Peripheral Vascular Specialists to provide historical referral data for the Hinsdale Surgical Center certificate of need ("CON") application.

As shown in the table below, we anticipate referring 60 patients to Hinsdale Surgical Center in the first year after project completion. Projected case volume will come from the proposed geographic service area of Hinsdale Surgical Center. Over the past twelve months, our practice performed a total of 791 vascular outpatient procedures. Patient origin by zip code of residence for patient referrals over the past one year is provided in Attachment A.

Name and Location of Licensed Facility	9/1/17- 8/31/18 Cases	Projected Referrals to Hinsdale Surgical Center (Cases)
AMITA Health: Hinsdale Hospital	9	
AMITA Health: LaGrange Hospital	16	10
AMITA Health: Alexian Brothers Medical Center	455	25
AMITA Health: Bolingbrook Hospital	3	
AMITA Health: St. Alexius Medical Center	308	25
Total	791	60

These patient referrals have not been used to support another pending or approved CON application.

The information in this letter is true and correct to the best of my knowledge.

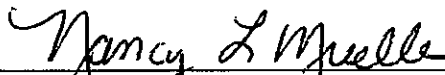
I support the proposed establishment of vascular surgery.

Sincerely,

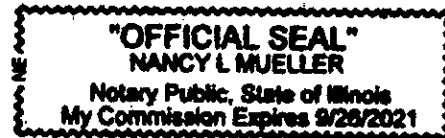


Atif Baqai, MD
908 N. Elm
Suite 401
Hinsdale, IL 60521
Specialty: Vascular Surgery

Subscribed and sworn to me
This 20th day of September, 2018



Notary Public



ATTACHMENT A

HISTORICAL REFERRALS BY ZIP CODE

Amita Health Medical Group: Peripheral Vascular Specialists	791
45069	2
49408	1
49854	1
49878	1
53104	1
60004	17
60005	8
60007	61
60008	14
60010	12
60012	3
60013	2
60014	4
60016	13
60018	6
60021	2
60025	1
60042	1
60047	7
60053	2
60056	4
60060	1
60064	1
60067	10
60068	2
60070	1
60073	1
60074	14
60083	1
60084	2
60087	2
60089	7
60090	1
60097	2
60098	1
60101	15

60102	3
60103	29
60104	1
60106	4
60107	41
60108	16
60109	2
60110	10
60118	5
60120	20
60123	24
60124	2
60126	1
60131	1
60133	41
60134	2
60136	2
60137	3
60139	13
60140	5
60142	8
60143	14
60148	6
60152	4
60154	2
60156	4
60157	3
60163	1
60164	2
60168	1
60169	40
60171	4
60172	25
60173	6
60174	1
60175	1
60177	3
60178	1
60181	3
60185	2
60186	1

60188	10
60191	17
60192	8
60193	62
60194	30
60195	4
60402	1
60404	1
60439	1
60440	4
60446	5
60455	1
60457	1
60458	1
60462	1
60465	1
60501	3
60513	2
60515	1
60517	1
60523	1
60525	2
60526	2
60527	4
60558	1
60559	1
60561	4
60565	1
60611	1
60618	1
60630	2
60631	5
60632	1
60634	3
60637	10
60641	1
60651	1
60656	2
60659	1
60706	1
60707	1

60714	3
60914	1
61008	1
61019	1
61115	1
61201	2

Courtney Avery, Administrator
IL Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Hinsdale Surgical Center

Dear Ms. Avery:

I am writing to provide historical referral data for the Hinsdale Surgical Center certificate of need ("CON") application.

I anticipate referring patients to Hinsdale Surgical Center in the first year after project completion as shown in the table below. Projected case volume will come from the proposed geographic service area of Hinsdale Surgical Center. Over the past twelve months, I performed a total of 469 outpatient procedures. Patient origin by zip code of residence for patient referrals over the past one year is provided in Attachment A.

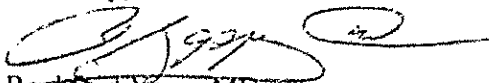
Name and Location of Licensed Facility	Cases (8/1/17-7/31/18)	Projected Referrals to Hinsdale Surgical Center(Cases)
Midwest Center for Day Surgery Downers Grove, IL	467	72
Good Samaritan Hospital Downers Grove, IL	2	2
Total	469	72

These patient referrals have not been used to support another pending or approved CON application.

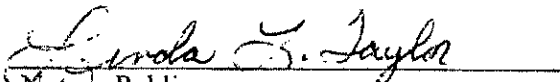
The information in this letter is true and correct to the best of my knowledge.

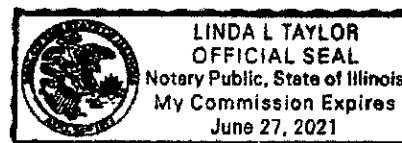
I support the proposed establishment of gastroenterology at Hinsdale Surgical Center.

Sincerely,


Rockford Yapp, MD
3825 Highland Ave., Tower 2 Suite 302,
Downers Grove, IL 60515
Specialty: Gastroenterology

Subscribed and sworn to me
This 26 day of September, 2018


Notary Public



Attachment A
Historical Referrals by Zip Code

Yapp, MD, Rockford	469
33458	1
33478	1
46303	3
60173	14
60192	18
60513	1
60514	40
60515	18
60516	49
60517	45
60521	17
60523	9
60525	9
60527	22
60531	17
60558	64
60559	27
60561	43
60584	2
60585	8
60587	2
61068	7
61081	7
61301	6
61348	10
61373	10
61455	8
61820	9
65016	1
60520	1

Courtney Avery, Administrator
IL Health Facilities & Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Hinsdale Surgical Center

Dear Ms. Avery:

I am writing to provide historical referral data for the Hinsdale Surgical Center certificate of need ("CON") application.

I anticipate referring patients to Hinsdale Surgical Center in the first year after project completion as shown in the table below. Projected case volume will come from the proposed geographic service area of Hinsdale Surgical Center. Over the past twelve months, I performed a total of 23 outpatient procedures. Patient origin by zip code of residence for patient referrals over the past one year is provided in Attachment A.

Name and Location of Licensed Facility	Cases (8/01/17-7/31/18)	Projected Referrals to Hinsdale Surgical Center (Cases)
River North Same Day Surgery Center (Chicago, IL)	3	0
Adventist La Grange Memorial Hospital (La Grange, IL)	5	5
Adventist Hinsdale Hospital (Hinsdale, IL)	5	5
MacNeal Hospital (Berwyn, IL)	5	5
Adventist Bolingbrook Hospital (Bolingbrook, IL)	5	5
Total	23	20

These patient referrals have not been used to support another pending or approved CON application.

The information in this letter is true and correct to the best of my knowledge.

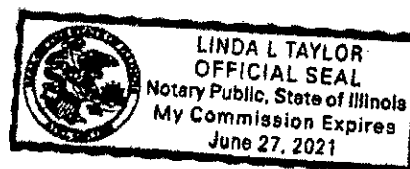
I support the proposed establishment of neurosurgery at Hinsdale Surgical Center.

Sincerely,

John Song, MD
Specialty: Neurosurgery

Subscribed and sworn to me
This 28 day of September, 2018

Linda L. Taylor
Notary Public



Attachment A

Historical Referrals by Zip Code

John Song, MD	23
60402	1
60514	1
60515	1
60516	1
60521	3
60522	2
60523	2
60525	3
60526	2
60558	1
60564	1
60567	1
60559	1
60610	3

Kara Friedman
Polsinelli PC
312-873-3639
kfriedman@polsinelli.com

Mr. Michael Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

RECEIVED

OCT 01 2018

Re: Certificate of Need Application

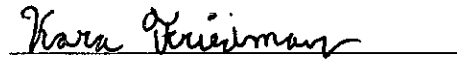
**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Dear Mr. Constantino:

Hinsdale Surgical Center, LLC hereby submits the attached Certificate of Need application to add gastroenterology, neurosurgery and vascular surgery services at Hinsdale Surgical Center, an existing ASTC in Hinsdale, Illinois.

Enclosed please find a \$2,500 check for the application processing fee. If you require any further information to finalize completion of the application, please contact me at your earliest convenience.

Sincerely,



Kara Friedman
Attorney, Polsinelli PC